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GM, Chrysler in China for auto show

By Stephen Vines
STAFF CORRESPONDENT

HONG KONG — Less than three months after China's government violently put down student demonstrations in Beijing, it is business as usual as the U.S. government and automakers prepare to take part in the country's annual auto show, which begins Thursday.

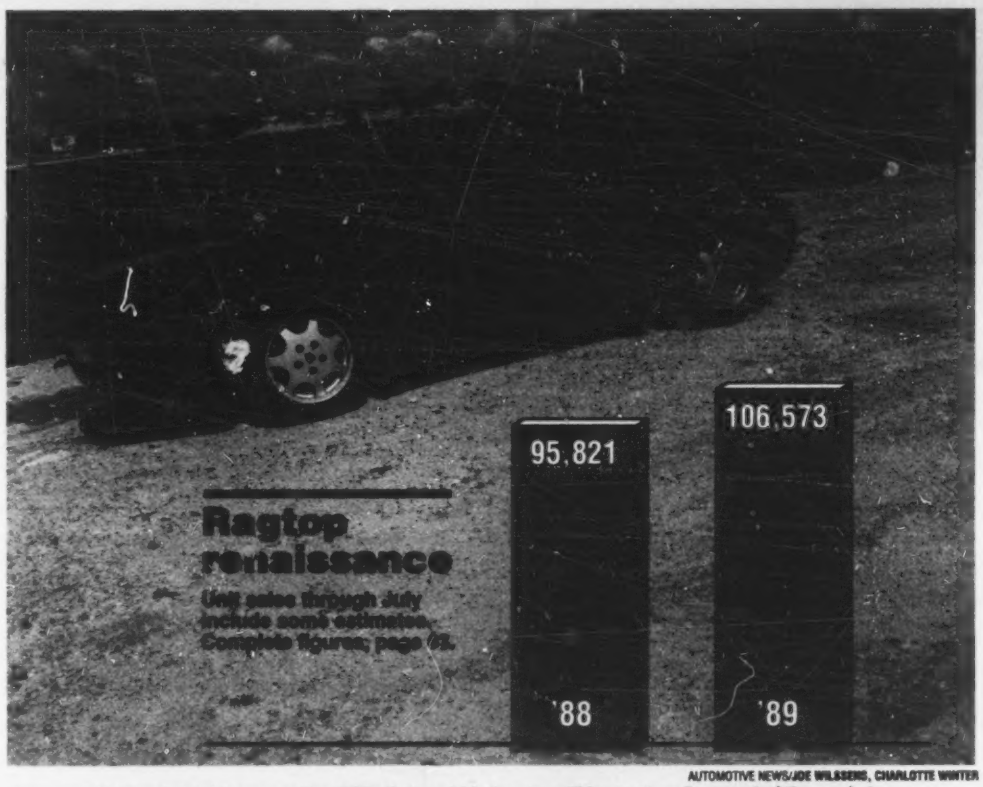
The show, originally scheduled for July, was postponed after the June 3 violence that prompted many foreign auto executives to flee the country. Now many have returned and the show, renamed Auto Shanghai '89 from the original Automotive China '89, will go on with trade fair certification from the U.S. Department of Commerce. The Shanghai show will also be visited by the new American ambassador to China, James Lilley, the U.S. Embassy in Beijing confirmed.

Show organizers say there will be a United States pavilion at the show. Embassy officials deny any knowledge of a special area for U.S. automakers, but two of the Big 3 said they will attend.

"Yes, we will have a display there, as we have had for the past four years," said John Pekarek, a General Motors spokesman in Detroit. "We were committed to doing the show in April and we decided to carry it through. We will likely have a small display, as we've had in the past — only two or three vehicles."

As to whether or not GM, which shipped engine tooling to China last year, would continue its participation in Chinese activities, Pekarek said, "On any new business venture or any new project in China, we're taking a very cautious wait-and-see approach. It's a very unusual situation. I've read lots of reports of companies going back in and we're very cautious."

see CHINA, page 65



AUTOMOTIVE NEWS/JOE WILSSENS, CHARLOTTE WINTER

Porsche 944 S2 cabriolet is among the 1990s that could help convertibles capture 2 percent of the market.

CONVERTIBLES: *New buyers expand a niche; more '90 models drop the top*

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

The American ragtop revival, which started in 1982, began surging last year. And several key launches for 1990 will expand the niche.

Sales of ragtops are up 11 percent during this otherwise down sales year.

And there are important launches coming up. During the 1990 model year, General Motors will bring out the Buick Reatta convertible, plus droptop versions of the Cutlass Supreme and Chevrolet Beretta. Chrysler will add a Dodge Shadow convertible in 1991.

The low volume but high-profile new Mercedes-Benz SL will be introduced in the United States in January. The new Lotus Elan will debut next spring and Nissan's Infiniti line will include an M30 convertible next spring.

"The convertibles are becoming a 12-month style," says Marvin DeLuca of DeLuca Chrysler-Plymouth in Cleveland. "There is not as much in the fall and winter, but we peck away at it all year round."

"The big difference between now and then was that convertibles were available in almost every single segment."
— JOEL PITCOFF
FORD

The open-top share of new-car sales has tripled since 1982 when Chrysler's LeBaron convertible ended five years without domestically produced convertibles.

see RAGTOPS, page 63

GM prices try to spur top sellers

By John K. Teahen Jr.
AUTOMOTIVE NEWS STAFF REPORTER

General Motors priced its 1990 cars like a company that suddenly realized it has been missing the boat all these years.

The company's new prices appear more competitive in the high-volume and hotly contested compact and intermediate segments. GM cut prices or posted moderate increases on many of those autos — and they aren't stripped models.

The marketing and promotional potential is great, but whether it can be translated into increased sales will be determined as the model year proceeds.

An obstacle for GM is the elimination of the price break on options grouped in packages. Some divisions took that step last spring. Ordering the options as stand-alone items boosts the price to the buyer and the dealer.

But one advantage for buyers undoubtedly will remain. Barring a long-lasting avalanche of sales, there is no hint that the steady round of cash and finance incentives will end.

GM announced a 1990 price increase averaging 2.5 percent on comparably equipped cars plus 0.9 percent for installing passive restraints on all models. Automotive News estimated the hike at $525.

But not a single car in the GM fleet went up $525. Twelve were reduced as much as $500; 90 went up as much as $2,981 (the superhot Pontiac Firebird Trans Am GTA); and 20 models had no 1989 counterpart.

Eight of the cuts were on Chevrolets, notably the best-selling Corsica and Beretta. Two Corsica four-doors dipped $480 and $490; Beretta two-doors went down $185 and $255.

see GM, page 66

Rude Awakening, Part II

- How Roger Smith led his all-American General Motors into partnership with the all-Japanese Toyota.
- The origins of Saturn.
- The hiring of Elmer Johnson.

Keller

A new chapter excerpted from "Rude Awakening," Maryann Keller's book on modern GM. Pages 42 and 44.

Chevy alters strategy in bid to make Geo fly

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Chevrolet is completely overhauling the marketing strategy for its year-old Geo line of imports, putting new emphasis on the individual models, a new national advertising campaign and a shift in responsibility between its two advertising agencies.

The Geo concept was designed to bring young import intenders into Chevrolet showrooms and boost Chevrolet's sagging market share in the small vehicle segment. But the brand has not generated the kind of sales spark envisioned by Chevrolet: an estimated 200,000 Geos will be sold by the end of the 1989 model year compared to a projected 220,000 despite generous incentive programs.

Revamping Geo marketing has also been a top priority of Jim Perkins, the former Toyota executive who returned to GM to become Chevy's general manager May 1.

Erdman

Chevrolet is backing down from its strategy of promoting the Geo brand over the individual cars nationally. Dealers had complained that consumers were confused that Geo was a model instead of a line of vehicles. Some consumers were even asking "What is a Geo?"

"The upbeat kind of advertising was different, but it didn't go far enough in establishing a name for Geo or positioning it in the marketplace," said Rick Smith, owner of Key Chevrolet in Muncie, Ind.

Michael Erdman, Chevrolet general marketing manager, said confusion over Geo stemmed from a staggered launch of Geo vehicles around the nation and a renaming of products midway through the model year. For instance, the Chevrolet Nova vehicle was renamed the Geo Prizm.

Chevrolet will step up its national advertising with both a brand campaign and advertising for individual models. A heavy emphasis will be placed on Geo's fourth car, the Storm, which arrives this fall.

Chevrolet will put in additional advertising dollars for Geo, Erdman said. Factory regional ads and dealer association ads will continue to promote individual models.

Chevrolet will also discontinue its cartoonish "No matter what" advertising campaign. The "No matter what" campaign promoted the Geo brand nationally showing

see GEO, page 64

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Extra:
...ws with U.S. dealers signal one certainty for ...be tough to maintain profitability. Special ...follows Page 34.

Dodge promises more theme cars

By Mary Connolly
AUTOMOTIVE NEWS STAFF REPORTER

HIGHLAND PARK, Mich. — Dodge will tell an estimated 3,000 dealers meeting in Nevada this week that it plans an array of future products to back up the brand's performance image.

John Damoose, vice president of Dodge, said in an interview that Chrysler could not spend heavily for "performance hardware" during its brush with bankruptcy earlier in the decade. Consequently, Dodge's product lineup did not always reflect the performance image being marketed.

"In the last four or five years, despite spending $3 billion in incentives and marketing for this division alone, we really haven't moved our image one iota in the marketplace," Damoose said. "That, to me, is our big target in the future.

"There are reasons why we didn't do it. One of them is because you can't move your image if you don't have the products to support that image. You can't do it in a phony way," he said.

"A very important distinction between the Chrysler of the early '80s and the Chrysler of the early '90s is that we are finally beginning to build some brands that are supported by products that support a brand image," Damoose said. "It's something that is vital to us staying a factor in the marketplace.

"We have to build a distinct, clear image in the marketplace. We've got to build on our heritage and make this a performance-oriented division and concentrate on expressive, innovative vehicles," he said.

Damoose said he will convey that message to dealers attending a 1990 model preview in Reno, Nev., Wednesday.

Damoose outlined the future product strategy which will bolster the brand image.

- A 16-valve version of the Dodge Spirit sedan will bow in the 1991 model year using a new multi-valve version of Chrysler's 2.2-liter four-cylinder engine.
- The 1991 four-place Dodge Stealth sports car based on the Plymouth Laser/Eagle Talon platform will be offered in four versions. Damoose said Dodge expects in 1991 to sell 30,000 units of the Stealth which will become the lead image model for the division.
- A 5.2-liter V-8 version of the Dodge Dakota mid-sized pickup will be introduced in the 1991 model year. The Dakota also will receive a front-end freshening in the 1991 model year, Damoose said.
- He also said a 1991 facelift of the full-sized Dodge pickup, including front and rear treatment and new side moldings, is scheduled.
- Dodge will retain exclusively the Shadow convertible, bowing in 1990. A companion Plymouth Sundance model had been planned.
- Differentiation of the Dodge Monaco sedan from its sister model the Eagle Premier is planned in the 1991 model year. Damoose said that Dodge expects to sell "50,000 plus" Monaco units in the 1990 model year, Damoose said.
- Dodge and Eagle will market first the 1993-model sedan based on Chrysler's new mid-sized LH platform. Chrysler and Plymouth will launch later 1993 models from the platform which is the company's first since the 1980 K-platform.
- Dodge will market various performance-oriented technology before the other divisions. Damoose said the company is working on multi-valve and turbo versions of its new 3.3-liter V-6 engine and additional applications of anti-lock braking systems and driver-activated suspensions.

Chrysler previously said it will restyle the Dodge Caravan and Grand Caravan minivans in the 1991 model year, launch the sport-utility code-named ZD in the 1992 calendar year and introduce a new full-sized Dodge pickup by the mid-1990s.

In addition, Damoose said possible production of the Dodge Viper sports car "is a lot more concrete than it was a few months ago."

"The whole issue is engineering feasibility now," Damoose said. "As the Viper team moves further along, we're finding out that it's becoming more feasible all the time. We're putting that in our side of the column as a counter at this particular time."

A final decision on Viper production will be made in the first quarter of 1990, Damoose said.

If built, the Viper could be offered in two versions.

"There'll probably be a 360 V-8 and a V-10," Damoose said. "That's probably the best way to do that vehicle."

He described the V-10 engine program, which is primarily being developed for truck applications, "as very much alive."

Damoose said now that Dodge has its product strategy in place, the difficulty is getting that message out in a crowded marketplace.

"You have to cut through the clutter and yet make that technology statement," Damoose said. "That's a difficult kind of balance to do."

Damoose said in the 1990 model

see DAMOOSE, page 62

AUTOMOTIVE NEWS/JOE WILKENS

Damoose told dealers Dodge will strengthen its performance image.

New models strong, but imports dip

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — As import sales continue to decline, led mainly by lagging European luxury makes, new 1989 and early 1990 models introduced in the spring are the segment's bright spots.

Overall, import sales fell 6 percent in July compared to the same period a year ago, while year-to-date sales were down 8 percent to just over 1.65 million.

European imports led the decline. At 302,581, they were 12 percent below the first seven months of last year. They were down 11 percent for July.

BMW's flagship 7 series had a disappointing July, down 44 percent to 752 units, compared to 1,338 sold in July 1988.

Overall, BMW sales are down only about 2 percent for the year, but July sales fell 15 percent. The downturn comes at a critical juncture for BMW as Toyota's luxury Lexus line bowed in August.

But Audi's U.S. sales increased 61 percent in July compared to last year, although seven-month sales were down 11 percent.

About 62 percent of Audi's monthly sales were 100 and 200 models and the new 1990 V-8 Quattro flagship.

Japanese imports dipped 4 percent to 1.16 million for the first seven months. Increased transplant volume was a major factor.

New models like Mazda Miata, Acura Integra and Subaru Legacy

see IMPORTS, page 46

SIZE CLASS SHARES
Domestic and Import
July 1989

	Total Sales	Pct. of Total
SUBCOMPACT...	209,089	24.71
COMPACT.....	214,883	25.39
INTERMEDIATE..	282,434	33.38
STANDARD	113,455	13.41
SPECIALITY.....	26,310	3.11
TOTAL	846,171	100.00

Ford test driver dies in Cougar crash at proving ground

ROMEO, Mich. — A Ford Motor Co. durability driver was killed Aug. 16 when the 1989 Cougar he was testing rolled over at the automaker's Michigan Proving Grounds here. Ford identified the driver as Loyd W. Story, 38, a UAW member and a 14-year employee of the proving ground.

A Ford spokeswoman said Story was conducting a "routine durability test" on the Cougar when the accident occurred. The Michigan State Police are investigating.

The incident was the third fatality at a Ford site this year; two workers employed by a maintenance contractor died in an explosion in an underground utility tunnel at Ford's Rouge complex in Dearborn, Mich., in late April. The last employee fatality at Ford's Romeo Proving Grounds occurred in 1964.

INDEX

Around the world	30-34
Auction dates	54
Books of interest	36
Classifieds	55-62
Coming events	28
Extra section	E1
Incentive watch	64
Late news	8
Legal briefs	22-24
Opinion	12
Personnel	38-40
Production	67
Sales, car	21
Sales, import car	46
Sales, truck	14
Service management	16
Truck industry	14

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Peugeot enlists Steed to challenge NHTSA crash test

By Diana T. Kurylko
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — Peugeot Motors of America has enlisted former NHTSA administrator Diane Steed to challenge the agency's 35 mph crash test program after its 505S model posted poor results.

Steed said the controversial new-car assessment program, which crashes cars into a fixed barrier at 5 mph higher than the federally mandated limit of 30 mph, is "not an exact science."

But Steed said she continued the program during her tenure in the Reagan administration for fear that consumer groups would fight a decision to ax the tests.

"It would not have been realistic to try," said Steed, who added the test was "put on the books" by former NHTSA administrator Joan Claybrook, a follower of consumer advocate Ralph Nader, and "we couldn't get rid of it."

The program crashes selected cars into the barrier at a speed that generates a third more force than crashes at 30 mph. The results for head injury criterion and chest deceleration in the higher speed crashes are compared to levels considered fatal — 1,000 for head injuries and 60 G's for chest deceleration — in the lower speed crashes.

Peugeot's 505S, equipped with passive belts, had a head injury score of 1,983 for the driver and 2,192 for the passenger, and respective chest deceleration of 64 and 77 G's, the worst numbers this year for a compact car.

By comparison, Toyota's compact Cressida scored respective driver and passenger head injury numbers of 790 and 544 and driver/passenger chest G's of 51.

"The frontal crashes into a brick wall do not replicate what happens in most accidents," Steed said. "Therefore, this data should not be used as a sole indicator of a car's crashworthiness."

NHTSA calls the test experimental because the car scores should be compared only among similar models, said Jeffrey Miller, acting NHTSA administrator.

Steed and other automotive experts were lined up for Peugeot, without pay, by a consultant, Ron DeFore, a former NHTSA director of public affairs.

NHTSA 1989 NEW- CAR CRASH ASSESSMENT

Vehicle	Head injury criterion Driver	Head injury criterion Passenger	Chest deceleration (G's) Driver	Chest deceleration (G's) Passenger
SUBCOMPACT CARS:				
Audi 80 4-dr. sedan	600	515	49	39
Toyota Corolla 4-dr. sedan	994	548	49	45
Volkswagen Fox 2-dr. sedan	787	818	64	58
COMPACT CARS:				
Hyundai Sonata 4-dr. sedan	1,196	937	54	53
Peugeot 505S 4-dr. sedan	1,983	2,192	64	77
Toyota Cressida 4-dr. sedan	790	544	51	51
TRUCKS, VANS, MPVs:				
Isuzu Trooper II 4x4	1,269	1,520	73	59
Suzuki Sidekick MPV	1,345	1,763	64	70
Toyota pickup	1,520	883	47	46
Toyota van	1,183	530	59	54

Other experts willing to speak on Peugeot's behalf include Thomas Hanna, president of the Motor Vehicle Manufacturers Association; George Nield, president of the Automobile Importers of America; and Barbara Keating, president of California-based Consumer Alert.

A Peugeot spokeswoman said, "There is an awful lot of confusion or misinterpretation and we thought it was time people should speak out."

Meanwhile, the latest round of tests included four light trucks.

Isuzu's Trooper II posted respective driver and passenger head injury numbers of 1,269 and 1,520 and chest deceleration of 73 and 59 G's. Suzuki's Sidekick had head injury numbers of 1,354 driver/1,763 passenger and respective chest deceleration figures of 64 and 70 G's. Toyota's pickup posted numbers of 1,520 driver/883 passenger and chest results of 47 and 49 G's. The Toyota Van fared best among light trucks with head injury numbers of 1,183 driver/530 passenger and chest G's of 59 and 49.

Subaru hopes to cut financial drain of incentives

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

CHERRY HILL, N.J. — Subaru of America hopes to wean itself from heavy rebates, but the company will continue to offer incentives while it renews its product lines.

"We would all like to get off the dope," said Thomas R. Gibson, president and chief operating officer of Subaru of America. "It's a very expensive way to market cars.

"In our case, we'll continue to use incentives, but we'll be cutting back the amounts. We've got new products, and more competitive products. We'll have programs, but nowhere near the degree we've had for the past year and a half," Gibson said last week in an interview.

Incentives run from $1,000 on some Justy minicars to $3,000 on the XT sport model. Subaru reportedly spent about $97 million on incentives in 1987 and 1988.

For the first half of this fiscal year, the company posted a net loss of $39.3 million. Sales through July are about even with last year's.

Subaru of America, based in Cherry Hill, N.J., is the publicly traded U.S. importer and distributor of cars made by Fuji Heavy Industries in Japan.

With a new lineup led by the Legacy, Subaru's first intermediate-class model, the company hopes to be able to cut incentives,

"We would all like to get off the dope (incentives)."

— THOMAS GIBSON

but sales of the Legacy have been slower than expected, Gibson said.

"The dealers and the press all like the car, but it's a new segment for us, and new buyers for us, and that person is taking longer to make a decision than we thought," he said.

This fall, the company will also introduce a four-door version of the Justy. Also due is a four-wheel-drive version of the Justy with a belt-driven electronic continuously variable transmission. The only Justy with an ECVT currently comes in a front-drive model.

Subaru will also add anti-lock brakes as an option on the Legacy L this fall. The brakes are already an option on the top-of-the-line Legacy LS.

Last spring, Subaru began rebadging its high-volume line of sedans, wagons and three-door coupes as the Loyale, limiting the range of options and trim levels available.

A new XT sport model is expected in 1990 or 1991, and the Loyale line is due to be renewed around 1992.

Subaru's first domestic production is expected to begin in the next couple of weeks at Subaru-Isuzu Automotive in Lafayette, Ind., a joint venture that will make the Legacy and Isuzu pickups.

Gibson said domestic production will cushion Subaru from dollar-yen fluctuations that drove up prices after 1985, but the new plant won't prompt any immediate improvement in Subaru's profits.

Meanwhile, the Legacy is supposed to signal the beginning of the end of Subaru's heavy incentives. The Legacy first went on sale in April, the only Subaru without incentives.

The company recently started a low-cost leasing program that included the Legacy, but Gibson said the program had been planned in advance and was not a response to slow sales. The lease program was initially designed solely for the Legacy, but the company decided to include all its models as a further means of trying to reduce old stocks, he said.

Gibson said Subaru hopes to sell 60,000 to 90,000 Legacy models for the full 1990 calendar year — about half of expected total annual sales of 150,000 to 160,000 units.

Subaru's sales for the first seven months of 1989 at 87,088 were virtually even with 1988. Sales for July were 13,364, including 3,714 Legacy models, or about 28 percent of the monthly total.

Legacy is "doing well — not as well as I'd like, but the introduction came just as the market got soft, and we had too much inventory around," Gibson said. Inventory "is starting to come down, and September will be the first real shot for the dealers to promote Legacy."

He said dealer advertising until now has been featuring clearance sales of old models.

A few surprises have emerged in the Legacy line after the first few selling months, Gibson said.

see SUBARU, page 64

GM, Ford reduce forecasts for 3rd-quarter car output

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Domestic automakers scaled back their combined third-quarter auto production forecast again — this time by almost 41,300 units.

Bulging inventories of unsold cars caused most makers to cut their forecasts, as industry analysts had predicted.

General Motors, Ford Motor Co. and three of the six Japanese transplants trimmed their schedules. The Big 2 slashed 36,300 units from their forecasts; transplant companies cut about 5,000 units from their schedules (Automotive News, July 17).

The industry expects to produce 1,430,100 cars during the third quarter, down 2.47 percent from the 1,466,341 forecasted earlier.

The biggest cut came from the No. 1 automaker; GM's earlier schedule of 623,000 cars was sliced to 600,000 units.

GM's third quarter forecast is 17.79 percent below the 729,853 cars built in the year-ago period.

Ford cut back almost 13,500 cars from its last schedule. But its forecast of 362,669 cars is 0.69 percent above 1988's actual build of 360,189.

Chrysler Motors was one of two makers to increase its third-quarter schedule. The company boosted its previous forecast 5,000 units to 186,000 cars, 4.23 percent below the 1988 actual total of 194,220.

The other automaker increasing its third-quarter projection was Toyota Motor Manufacturing U.S.A., up 10,000 units to a schedule of 45,000 cars. Late last year, the company began building the Camry in Georgetown, Ky. Domestic Camry sales have been increasing monthly.

Honda of America Manufacturing shaved 410 units from its third quarter schedule. Honda projects output of 82,590, down 6.84 percent from the actual 1988 third-quarter build of 88,656.

New United Motor Manufacturing Inc. expects to assemble 47,000 units in the three-month period, down 13,000 units from its last schedule. The total is 60.19 percent above the 29,340 built in the year-ago period when NUMMI was retooling for the 1989 Geo Prizm.

Nissan Motor Manufacturing Corp. U.S.A. scaled back 1,500 cars from its previous third quarter schedule. The new forecast is 29,500 units, down 4.52 percent from the 30,897 built in the third quarter of 1988.

Third-quarter projections for the remaining U.S. automakers are unchanged. They are: Mazda Motor Manufacturing (U.S.A.) Corp.: 47,341; Diamond-Star Motors, 30,000.

U.S. THIRD QUARTER CAR PRODUCTION SCHEDULE

	Projected 1989	Actual 1988
General Motors	600,000	729,853
Ford	362,669	360,189
Chrysler	186,000	194,200
Total Big 3	1,148,669	1,284,242
Honda	82,590	88,656
Mazda	47,341	54,083
NUMMI	47,000	29,340
Toyota	45,000	0
Diamond-Star	30,000	0
Nissan	29,500	30,897
VW	0	3,512
Total transplants and joint ventures	281,431	206,488
Total	1,430,100	1,490,730

SOURCE: Automotive News figures

Court OKs long warranty in New York's lemon law

By Helen Kahn
SENIOR CORRESPONDENT

A federal judge in New York upheld a state lemon law requirement that manufacturers provide two-year/18,000-mile warranties.

But U.S. District Court Judge Leonard B. Sand did throw out a minor part of the state lemon law requiring dealers outside the state to notify the manufacturer of defect complaints by New York car owners.

It was the last of constitutional challenges to the law brought by the Motor Vehicle Manufacturers Association and the Automobile Importers of America in federal court. In May 1988, Sand, upholding the First Amendment rights of the manufacturers, threw out a section of the law that banned auto companies listing a window sticker charge to cover costs for complying with the state lemon law. Last December, he also ruled that the manufacturers' arbitration programs do not have to meet additional state requirements because they comply with the federal Magnuson-Moss warranty law.

Still pending before a state court in Albany is the auto industry's challenge to a section of the law that bars makers from seeking judicial review of decisions by New York's state-run arbitration program. A similar challenge in Connecticut resulted in that part of the state lemon law being declared unconstitutional, effectively ending the state-run arbitration.

In upholding the state's extended warranty coverage, Sand said New York acted to address the problems of defects that appear shortly after expiration of the warranty. Moreover, said Sand, most automakers are not affected since the 12/12 warranty is no longer standard.

He also disagreed with the automakers' claim that because of New York's requirements they might have to raise prices nationally. Instead, he felt they would likely do "what logic dictates and continue to pass along the added costs to the consumers who benefit from the statute, namely those who purchase and register their cars in New York." He noted that manufacturers can charge more in New York as Ford Motor Co. does with its $115 "mandatory New York repair coverage" and General Motors with its $65 for "New York warranty enhancements." In fact, he finds "no need for nationwide uniformity in this area."

But, says Sand, a "minor" requirement in the disputed section of the state lemon law, that out-of-state agents or dealers must forward written notices of reported problems to a manufacturer within seven days, is unconstitutional.

Mercedes dealers buy Crabtree chain

By Jim Henry
AUTOMOTIVE NEWS STAFF REPORTER

NEW YORK — The owners of a Connecticut Mercedes-Benz dealership have bought Crabtree Automotive group, a suburban New York chain that last year paid the state to settle charges of false advertising and deceptive sales practices.

The principals at Imported Cars of Greenwich have formed TriStar Automotive Group to buy the Crabtree chain. Crabtree Automotive sold 11 brands in eight outlets in New Rochelle and Larchmont, N.Y.

Crabtree officials could not be reached for comment on the sale.

A year ago, Crabtree Automotive agreed to a settlement that the New York state attorney general's office said was the largest of its kind in the nation.

It said the settlement was worth up to $2.8 million, counting refunds that customers could demand.

But the immediate cost to Crabtree Automotive was limited to $150,000 to reimburse the attorney general's office for the cost of its investigation. Under the agreement, Crabtree Automotive denied any wrongdoing.

Charles H. Wilk, president of TriStar Automotive Group, said Crabtree Automotive has paid its $150,000 fine and the former owners would be responsible for damages from claims made before Aug. 17.

"High-pressure sales and service tactics will have no place in TriStar dealerships," Wilk said in a statement. "The new management will not rest until every customer leaves our dealerships satisfied."

In addition to Wilk, TriStar's principals are Arthur K. Watson Jr., chairman; and Stuart H. Watson, vice chairman. Arthur Watson and Wilk are also chairman and president, respectively, of Imported Cars of Greenwich, one of the largest Mercedes-Benz dealerships in New England.

With the Crabtree acquisition, TriStar will sell Ford, Mazda, Nissan, Sterling, Hyundai, Toyota, Suzuki, Cadillac, Jeep-Eagle and Mitsubishi. The company expects annual sales to total $150 million.

Crabtree-Haas Toyota in Westport, Conn., was not involved in the deal or last year's settlement.

Diamond-Star vote is Thursday

NORMAL, Ill. — Workers at Diamond-Star Motors will vote Thursday on a proposed labor contract reached last week between the transplant and the UAW.

The agreement follows five months of contract negotiation between the union and management at Diamond-Star, a 50-50 joint venture between Mitsubishi Motors Corp. and Chrysler Motors.

Both sides have declined to discuss details of the contract prior to the ratification vote. But the agreement is expected to recognize many of the plant's existing work rules, which are based on only two job classifications — production associates and skilled maintenance associates.

The company recognized the UAW in December 1988 without a union election after about 600 of the 872 production workers then at the plant signed cards calling for a union election. Diamond-Star now employs 2,300 production and maintenance workers.

Suppliers say U.S. car fleet can get 41 mpg in 10 years

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto suppliers believe domestic cars could meet fuel economy goals of 33 mpg by 1995 and 41 mpg by 2000 and that suppliers themselves will be instrumental in helping the Big 3 achieve that economy.

The position stands in stark contrast to the U.S. automakers, who are reluctant to commit to specific numbers.

A new survey of domestic component producers indicates they believe they would have no problem with a 45 percent improvement in corporate average fuel economy numbers.

U.S. automakers have committed to improving fuel economy in the '90s, but they are pushing for a system of flat percentage increases on a company-by-company basis. That system, they say, will prevent producers of larger vehicles from being penalized.

The supplier targets of 33 mpg and 41 mpg are still lower than those being proposed in a number of bills before Congress this year, however. At least three bills will reach the Senate this fall requiring the industry to have an average fuel efficiency of 45 to 50 mpg in 10 years.

"The survey results are surprising because of the attitude it reveals among the supplier industry," said Earl Landesman, principal with A.T. Kearney Inc., the international automotive consulting firm that conducted the study. "They're very gung-ho to meet the challenge. The public has the impression that the auto industry is running out of steam on improving fuel efficiency because there hasn't been much progress in the past two years. But here's the supplier industry saying that it's their responsibility, too, and they can do it."

Kearney asked 95 suppliers with combined revenues of $30 billion what mpg targets they considered realistic and how they would meet them.

Suppliers feel weight reduction is the answer.

"They're very determined that the answer is vehicle weight reduction," Landesman said of the survey results. "Everybody tends to look at the powertrain for the answer, but the majority think that weight reduction is the first key."

Weight reduction would be achieved with new plastic compounds, developed jointly between suppliers and the carmakers, and lighter metals for chassis components, castings and wheels, according to the survey answers.

Further efficiency will come from engine enhancements, the development and wider use of alcohol-based fuels, improved aerodynamics and, only as a last resort, vehicle downsizing.

A majority said that while they did not want to return to the "econo-box days of the early 1980s" or sacrifice vehicle performance, the industry must take a position on both fuel efficiency and emission control before the government legislates a position for it.

The survey participants predicted that if Congress forces automakers to meet a 50 mpg industry standard in the coming decade, Japanese carmakers, producers of small European vehicles, plastics manufacturers and automotive electronics producers will be the biggest winners. The biggest losers would be the Big 3, European luxury car producers, steel companies and stamping, castings and forging companies, the survey said.

Average industry fuel economy improved dramatically between 1975 and 1982 as the auto industry was rocked by escalating gasoline prices, import sales competition and a U.S. recession. Average vehicle fuel economy increased by 28 percent between 1975 and 1979, by another 28 percent between 1979 and 1982, and by 10 percent between 1982 and 1988. In 1989 it will actually decrease a bit, according to figures from the Environmental Protection Agency.

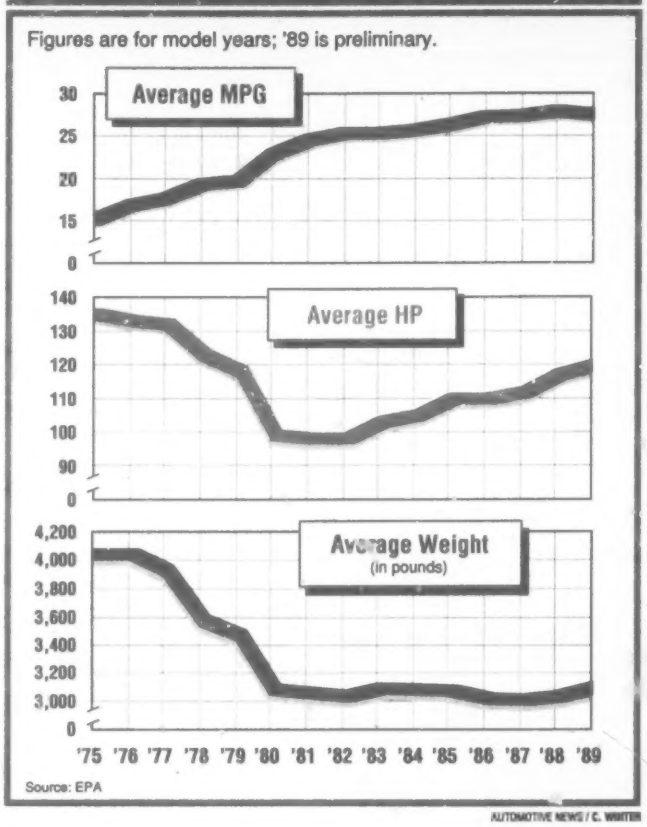
While the suppliers expressed confidence that meeting tougher industry requirements would boost their own revenues and either increase or not affect their earnings, they acknowledged their OEM counterparts would not be so lucky. The majority foresee a decrease in automaker profits if new fuel efficiency technology must be implemented.

What's most important piece for better mpg?

A.T. Kearney asked 95 U.S. suppliers which components need most development to improve fuel economy. These are their top responses:

Fuel Systems	29%
Electronics	14%
Tire Design	11%
Multi-valve engine	9%
Combustion chamber design	8%
High-temp engine material	7%
Valve train design	5%
Transmission gear ratios	5%
Continuously variable trans.	3%

Car fleet fuel efficiency



AUTOMOTIVE NEWS / C. WHITTEN

Loss at Nissan could hurt UAW at Big 3

By Lindsay Chappell
AUTOMOTIVE NEWS STAFF REPORTER

NASHVILLE, Tenn. — While the United Auto Workers deal with their July 27 defeat at unionizing Nissan Motor Co.'s U.S. operations, they may have more to worry about than they think.

"The real implication of the Nissan election is what it portends for the domestic carmakers," said Michael Kane, director of the U.S.-Japan International Management Institute at the University of Kentucky in Lexington. "The transplants are now in a better competitive position vis-a-vis the Big 3. Even though the salaries and benefits at the transplants aren't much different from what the unionized domestic companies are paying, there is still a competitive difference.

"That makes the union itself more vulnerable. Because the U.S. carmakers are at a competitive disadvantage, they now have more ammunition to go back to the union and ask for a new round of contract concessions," Kane said.

But Irving Bluestone, professor of labor studies at Wayne State University and former head of the UAW's GM Department, counters that union representation does not put the Big 3 at a disadvantage.

"Labor cost is not the real issue of competitiveness in the industry any more," Bluestone said. "It accounts for well under 30 percent of total costs. And besides, there is really not that much difference now between domestic wages and wages in the Japanese industry. Management needs to look at some issue other than labor costs to improve its competitiveness."

Last month, UAW organizers lost a 16-month drive to unionize Nissan Motor Manufacturing Corp. in Smyrna, Tenn., when almost 70 percent of the plant's 2,400 workers voted to remain non-union.

The UAW denounced the July 27 election but did not challenge the results. Plant organizing operations have been largely dismantled.

The union suffered a similar setback in 1986 when it withdrew its petition for an election at Honda of America Manufacturing in Marysville, Ohio. As Honda prepares to open a second auto plant nearby in East Liberty, Ohio, management says it is aware of no further organizing activity.

William T. McGrath Jr., an automotive industry management consultant in Cleveland, also believes the transplant fight will affect UAW-Big 3 relations. McGrath, senior vice president for automotive with the consulting firm A.T. Kearney Inc., speculates that if one sector of the industry is unionized while another isn't, "the cooperative spirit that now exists between the UAW and the carmakers could be strained."

Bluestone argues that the domestic companies' relationship with the union actually enables them to collectively solve problems. "The UAW has a long history of working with management to improve profitability. I don't see that changing."

Meanwhile, the UAW has begun organizing efforts at Subaru-Isuzu Automotive Inc. in Lafayette, Ind., even though the plant doesn't start production until September, and at Toyota Motor Manufacturing in Georgetown, Ky.

SIA's reaction has not been meek. Within days of the UAW's Nissan defeat, SIA issued a statement departing from a previously neutral attitude toward unions.

"SIA does not believe that a third party such as a union is necessary at SIA," the company said. "Our company relies upon team cooperation. We feel this team approach at SIA makes any third-party intervention unnecessary."

In April, the union opened an organizing office in Georgetown, Ky., home of Toyota Motor Co.'s year-old, $1.3 billion car plant. Plant management has vowed to remain neutral on the issue. William Young, the UAW's organizing director in charge of Toyota, declined to discuss union plans.

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Incentives keep trucks near last year's record

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Truck sales in the United States firmed in July under the impetus of heavy incentives. Overall, industry sales were just slightly below a year ago.

The strengthening in the industry's performance is chiefly due to the Class 1-3 light-duty segment where many buyers are rushing to take advantage of incentives and to avoid price hikes on new models this fall.

Industry sales for the first seven months of the year continue to be very strong.

Based on their current levels, they are still within range of hitting 5 million for the year and of coming in second-highest behind last year's 5.2 million record.

Overall, manufacturers retailed 433,670 trucks in July, off 2.15 percent from 1988's 443,210 deliveries.

The medium-duty Class 4-5 segments showed the biggest strength in July, followed by heavy-duty Class 8 sales which slipped into the minus column for the first time this year.

Class 1-3 light-duty sales of 406,733 during the month were off 2.02 percent from 415,113 a year earlier, according to Automotive News calculations based on vehicle manufacturers' reports.

Class 4 sales of 2,421 were up 26.03 percent from 1,921 in 1988, according to the Motor Vehicle Manufacturers Association.

Similarly, MVMA reported Class 5 sales of 615, up 12.02 percent from 549 a year earlier; Class 6 sales of 3,181, off 17.61 percent from 3,861; Class 7 sales of 8,318, off 9.55 percent from 9,196; and Class 8 sales of 12,402, off 1.34 from 12,570.

All these truck segments, except Classes 4, 7 and 8, showed an improvement over their general trend this year.

Generally, Ford's Super Duty, which has been the sole impetus behind Class 4's meteroic rise over the past year, is beginning to level off a bit. It has been drawing sales from both the light Class 3, as well as medium-duty Class 5-6 segments, according to company officials.

The slowdown in the growth of the Super Duty explains some of the recent rebound in Classes 5-6.

During the first seven months of calendar 1989, light-duty Class 1-3 sales of 2,795,571 were off 4.81 percent from 2,936,693 a year ago.

Year-to-date Class 4 sales of 16,323 were up 35.96 percent from 12,006 last year.

Class 5 sales of 3,917 were off 18.21 percent from 4,789 a year earlier.

Class 6 sales of [illegible] were off 30.00 percent fr[illegible]

Class 7 sales [illegible] ere off 6.20 percent from [illegible] year, and Class 8 sales [illegible] were still up 4.82 percent from [illegible] 309.

Reflecting the weakening in Class 8 demand, Mack Trucks said it is cutting manufacturing and assembly rates for its heavy trucks. Mack said it plans to build 45 percent fewer Class 8 trucks during the third quarter than in the second quarter.

A company spokesman said specific production numbers had not been finalized yet.

Industry analysts have pointed out that not only Mack, but a number of other Class 7-8 manufacturers, like Ford, have been reducing their production schedules in consideration of the slowdown in market demand.

Heavy-truck manufacturers are currently revising their estimates of full calendar year sales in view of the softening market.

Class 8 orders decline

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Net new orders for heavy-duty Class 8 trucks totaled 10,681 in June, down 12 percent from 12,120 in June 1988 but an improvement from the 8,755 units ordered in May.

Deutsche Bank Capital Corp., an investment firm, said it continues to believe that order rates have peaked, with the current annual rate of orders running at about 130,000 units.

Frank Prezelski, an analyst with Deutsche Bank, said the sharp order declines of earlier months appear to have abated.

With retail sales of 14,006 in June and production of 15,000, order backlogs are dropping.

June's backlog of 52,532 units was down for the first time since October on a year-to-year basis and has declined steadily since it peaked in February, Prezelski said.

All manufacturers have now scheduled production cuts. The decline in the number of units built began showing up in July.

But the cancellation rate for new-vehicle orders has turned upward again and has approached what Prezelski called "a danger point of 20 percent."

June's order cancellation rate was slightly over 19.5 percent.

The industry is expected to monitor order cancellation rates even more closely than normal in the coming months because rates that consistently exceed 20 percent tend to be harbingers of downturns.

Deutsche Bank Group said it believed heavy-truck sales have peaked and will continue to drift downward.

Although near-term demand for heavy trucks could jump slightly as a result of lower interest rates, the investment firm said it believes the trend during the next few quarters will be downward.

It doesn't expect "prebuying" of vehicles to be a major factor in 1990.

It still sees U.S. retail sales of 135,000 to 140,000 Class 8 trucks in calendar 1990, down slightly from a projected 145,000 this year.

The modest downturn is not expected to have any major effect on the heavy-truck industry.

Companies like Navistar and Mack are expected to see an increase in earnings, while others whose sales have been extremely strong — such as Paccar and Eaton — are expected to show a modest earnings decline.

JULY TRUCK SALES BY MANUFACTURER AND SEGMENT

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1989	TOTAL 1988
CHRYSLER-PLYMOUTH	MO	18,161						18,161	20,036
	YR	124,780						124,780	133,142
DODGE	MO	43,520						43,520	46,836
	YR	326,787						326,787	350,968
JEEP	MO	23,546						23,546	20,463
	YR	149,314						149,814	144,567
TOYOTA	MO	17,280						17,280	25,702
	YR	129,604						129,604	147,011
NISSAN	MO	12,577						12,577	13,312
	YR	91,792						91,792	97,973
MAZDA	MO	6,690						6,690	6,870
	YR	48,595						48,595	58,995
ISUZU	MO	8,651						8,651	7,566
	YR	53,215						53,215	46,762
MITSUBISHI	MO	3,377						3,377	3,134
	YR	23,397						23,397	27,269
SUZUKI	MO	1,698						1,698	6,327
	YR	14,850						14,850	37,548
RANGE ROVER	MO	356						356	276
	YR	2,750						2,750	1,852
FORD	MO	123,282	2,333		1,177	3,123	1,507	131,422	127,858
	YR	840,719	15,540		5,939	20,408	9,620	892,226	925,437
FREIGHTLINER	MO						2,088	2,088	2,034
	YR						14,473	14,473	13,880
CHEVROLET	MO	116,848		19	340	727		117,932	113,749
	YR	772,700		154	3,774	5,202		781,830	806,660
GMC	MO	30,160		383	383	861		31,787	34,438
	YR	209,072		2,272	3,227	7,753		222,324	235,968
KENWORTH	MO					26	1,475	1,501	1,546
	YR					210	10,383	10,593	9,711
MACK	MO				96	127	1,670	1,893	2,260
	YR				1,144	1,521	12,089	14,754	14,83[illegible]
MERCEDES	MO				76	98		174	232
	YR				517	735		1,252	1,817
NAVISTAR	MO			6	17	936	3,084	3,077	7,120	6,535
	YR			95	83	7,453	18,579	21,442	47,652	48,529
PETERBILT	MO					41	1,341	1,382	1,322
	YR					333	9,452	9,785	9,303
VOLVO/GM HEAVY	MO					75	1,022	1,097	1,447
	YR					555	9,390	9,945	9,426
HINO	MO	19		45	38	51		153	134
	YR	142		287	310	576		1,315	1,171
NISSAN DIESEL	MO	48		55	18	37		158	195
	YR	288		441	207	381		1,317	1,204
ISUZU TRUCK	MO	284	35	15	57	35		426	357
	YR	3,302	368	114	514	416		4,714	3,852
MITSUBISHI FUSO	MO	96		48	15	33		192	196
	YR	960		390	191	361		1,922	1,543
SCANIA	MO						17	17	15
	YR						75	75	110
IVECO TRUCKS	MO	142	47	33	11			233	195
	YR	784	320	176	87			1,367	1,292
WESTERN STAR	MO						104	104	125
	YR						931	931	906
OTHER DOMESTICS	MO				34	—	101	135	50
	YR				108	116	520	744	524
GRAND TOTAL	MO	406,733	2,421	615	3,181	8,318	12,402	433,670	443,210
	YR	2,795,571	16,323	3,917	23,471	57,146	88,375	2,984,803	3,132,254
1988 YR to DATE		2,936,693	12,006	4,789	32,733	60,924	84,309		

NOTE: 1989 YTD includes 9 Subaru Brats; Class 1-3 sales data reported by individual manufacturers; Class 4-8 reported by Motor Vehicle Manufacturers Assoc.

SERVICE MANAGEMENT

Makers, insurers joust over non-OEM crash parts

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

The automakers and the auto insurance industry are waging a heated debate over the use of non-genuine sheet metal crash parts to repair vehicles after collisions.

To win the support of consumers and body-shop operators, the automakers are publicizing the disadvantages of using non-genuine parts, such as loss of new-vehicle warranty protection from corrosion for the sheet metal replaced and problems with fit, finish and structural integrity.

The insurance industry is promoting its stance that non-genuine crash parts reduce the cost of vehicle repairs and help address the problem of high insurance rates from the roots — by cutting the underlying costs that cause those high rates.

The insurance industry also says that tests show non-genuine crash parts meet federal safety standards.

Leading the automakers' charge in the debate is Ford Motor Co., which recently began an ad campaign aimed at body shop owners.

The Ford parts and service division ads suggest a paper bag to cover the head of the shop owner who must tell customers that genuine sheet-metal parts will not be used for repairs to their vehicles.

The ad advises shop owners, "When insurance firms tell you to use 'economy parts,' don't cover for them. Save labor, time and money with genuine Ford sheet metal — it's made right and fits right."

The ad theme, according to Kenneth W. Myers, Ford parts and service marketing manager, continues Ford's collision repair industry information campaign, which has highlighted the shortcomings of non-genuine crash parts and reminds repairers that an informed customer is more likely to be a satisfied customer.

An estimated 30 million vehicles are damaged in accidents in the United States each year, according to Ford, and non-genuine parts are used in as many as 10 percent of those repairs. A decade ago, non-genuine crash parts were used in only a fraction of repairs, Myers said.

As automakers reduced year-to-year design changes on some models, he said, makers of non-genuine parts were able to avoid high tooling costs and focus on standardized parts.

Many foreign manufacturers, especially in Taiwan, produce non-genuine parts.

Growth of non-genuine parts has been exponential, Myers said. For example, auto body stamping imports from Taiwan jumped from $35,000 in 1978 to nearly $35 million in 1987, according to the U.S. Department of Commerce.

Quality testing of non-genuine crash parts by Ford and other vehicle makers has shown consistent problems with fit, finish, structural integrity and corrosion protection, according to Myers.

The automakers also emphasize that non-genuine crash parts are not covered under their new-vehicle warranties. Also, warranties are nullified for other genuine parts that are damaged as the result of the installation of non-genuine crash part.

Ford's campaign reflects the attitudes of other automakers.

General Motors graphically points out the differences between genuine GM and non-genuine replacement parts in a brochure available at GM dealerships.

In a brochure available at Chrysler Motors dealerships, Chrysler emphasizes the difference between genuine and non-genuine parts and the customer's right to specify genuine parts. Most non-genuine parts, Chrysler said, require extensive rework in order to make them fit.

"A part that doesn't fit right," said Frank Alexander, product manager for for sales and marketing at GM service parts operations, "not only looks bad but also can cause wind noise, water leaks and damage to other parts of the vehicle — damage that won't be covered by the new vehicle warranty. We believe the consumers have a right to know that."

On its side of the debate, the insurance industry notes that one way insurers are trying to reduce auto insurance costs is by advocating the sale of competitive replacement parts made by independent manufacturers.

The Alliance of American Insurers in Schaumburg, Ill., which represents some 165 insurance companies, recently conducted a study that showed a 1988 Buick Skylark Custom coupe valued at approximately $12,500 would cost more than $40,300 to rebuild using genuine replacement parts.

The repair figure,the Alliance said, does not include the cost of labor which can range from $15 to $60 per hour.

Rodger S. Lawson, senior vice president of the insurers' alliance, said independently made replacement parts save money because they cost less than genuine parts, and the competition drives down the cost of genuine parts.

For example, the insurers' alliance noted that a 1988 Pontiac Grand Am hood cost $210 from the original manufacturer and $188 from an independent maker, while the fender of a 1988 Mazda B200 sells for $198 from the OEM and $150 from the independent.

"The effect of competition can be seen in examples such as a 1983 Dodge Aries fender, which the OEM sold for $221 in 1983," the alliance said. "By 1986, the same fender was down to $87."

The insurance industry also takes issue with some automakers' contentions that using parts from suppliers other than OEMs may mean that the car no longer meets several federal motor vehicle safety standards.

Insurance Institute for Highway Safety specialists say that is not the case because with the exception of the hood, the cosmetic parts used to repair cars are irrelevant to safety. Parts like fenders, door panels and grilles cover the car like skin; they serve no structural or safety function, the specialists say.

The automakers and insurance industry will continue to debate the merits of genuine and non-genuine crash parts.

In all likelihood, the issue will be decided in state legislatures and the U.S. Congress where the automakers — the Big 3 plus several Japanese firms — are pushing legislation to require disclosure of the use of non-genuine sheet metal to the consumer before repairs are made. Twenty states already have enacted disclosure legislation and several more are considering it.

Service volume moves upward for June and 1st half

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Service and parts business in new-car dealerships continued on the plus side in June and for the first half of 1989, according to the Automotive News Service Index.

June's shop volume rose 2.9 percent over the business recorded in June 1988, and volume for the first half was up 2.7 percent.

The Service Index is compiled from figures on parts and service business supplied by a cross-section of the nation's dealerships.

All indicators in the index, except repair orders written, gained in June and the first half.

Repair orders dipped 3.6 percent in June from the year-ago month and 2.4 percent for six months.

Still, gross profit on all labor, parts and accessories sales was up 2.0 percent for June and 3.8 percent for the six-month period.

Total labor sales (customer-paid and warranty) were up 6.0 percent for the month and 3.7 percent for the first half, while shop parts sales (customer-paid and warranty) rose 2.2 percent in June over the year-ago figure and 2.9 percent for the January-June period.

June sales of all parts and accessories were up 1.8 percent, while year-to-date sales increased 1.4 percent.

SERVICE INDEX
102.9★

	June '89 vs June '88	Jan.-June '89 vs Jan.-June '88
Gross Profit on All Labor and P&A Sales	+2.0%	+3.8%
Repair Orders Written	−3.6%	−2.4%
Total Labor Sales (Customer & Warranty)	+6.0%	+3.7%
Shop Parts Sales (Customer & Warranty)	+2.2%	+2.9%
Sales of All P&A	+1.8%	+1.4%

★ Survey by Automotive News shows that dealers' service and parts business in June 1989 was 102.9 percent of business in June 1988. Service business in the first 6 months of 1989 was 102.7 percent of business in the corresponding period in 1988.

U.S. parts makers increase share of import aftermarket

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

Domestic parts manufacturers continue to expand their share of the aftermarket for import nameplates, and they indicate sales could be better, according to a survey by Easton Consultants of Hopkinton, Mass.

The firm's fifth biennial survey revealed that U.S. parts makers recorded an average sales growth of 15.5 percent per year in import parts from 1984 to 1988.

Henry P. Allessio, a partner in the management consulting company, said sales of repair parts grew more than twice as fast as sales of maintenance parts.

The traditional channel of parts distribution — from parts makers to full-service warehouse distributors to local jobbers to independent repair shops — is the largest channel of import vehicle parts sales, according to Allessio.

"These traditional customers are supported mainly by domestic parts manufacturers and, to a lesser degree, by full-line parts importers/distributors," Allessio said.

"Despite the strong sales growth of import vehicle parts by domestic makers in the traditional channel," he said, "the manufacturers cited several factors that were keeping them from gaining even more market share. The reasons are both supply- and demand-driven."

According to manufacturer respondents, the single greatest reason for not gaining bigger market share is the average low overall volume per import part, which makes tooling more expensive.

Other major reasons listed include parts manufacturers' perception that owners of import vehicles don't use the traditional service outlets and the lack of training in repairing import vehicles among traditional repair outlets.

Parts

Why domestic parts manufacturers feel they aren't gaining more share of the import vehicle aftermarket.

7.80%
7.80%
9.80%
21.60%
Low volume causes high tooling costs
Repair shops not trained for imports
Repair shops don't attract import owners
Parts distributors already have a competing import line
Parts distributors have relatively low demand for import line
Import specialty shops gaining share
All other

Source: Easton Consultants Inc.

AUTOMOTIVE NEWS/E. BIEVER

SERVICE BRIEFS

Ziebart buys Tidy Car

TROY, Mich. — Ziebart International Corp. has purchased Tidy Car's franchise system of 275 automotive detailing outlets for an undisclosed sum.

Renamed Tidy Car International, the new wholly owned Ziebart subsidiary, will be assigned the Tidy Car franchise agreements for 140 outlets in the United States and master franchise agreements for another 135 outlets in Canada, Europe, the Caribbean and Pacific Rim countries.

The purchase of Tidy Car, along with the earlier acquisition of the Tuff-Kote Dinol franchise system, expands the number of Ziebart franchised car-care dealers worldwide to 975.

RVIA training slated

RESTON, Va. — Two training programs for dealer technicians have been scheduled by the Recreation Vehicle Industry Association.

Set for Oct. 2-6 in Orlando, Fla., and Nov. 6-10 in South Bend, Ind., the week-long Trouble Shooter Clinics will cover repair techniques on RV appliances and components. Each class is limited to 200 registrants and costs $200.

Electronic parts catalog

PORTLAND, Ore. — Freightliner Corp. has come up with an electronic parts catalog system to help its dealers with parts identification, inventory and ordering.

The system, called PartsPro, is said to reduce by as much as 60 percent the time required to find parts by dealership parts and service personnel.

PartsPro includes a display monitor, personal computer and compact disc reader. The system covers all Freightliners manufactured since 1978.

STP service center

DANBURY, Conn. — First Brands Corp., marketer of STP, Prestone and Simoniz automotive products, has entered the $25 billion automotive service market through a new subsidiary, STP Consumer Services.

The subsidiary's four STP Service Plus centers in Atlanta will serve as test sites before national expansion. All will offer STP's quick lube service and Prestone's cooling system flush and fill. One test center will also have a Simoniz full-service car wash.

Ronald A. Artzer, president of STP Consumer Services, said the firm also plans to roll out STP Super Service centers that will offer quick lubes, car washes and car-care services along with full-service gasoline sales by early 1990.

During the next five years, the company hopes to open 50 to 100 STP Service Plus centers and estimates sales in excess of $100 million. Although the initial centers will be company owned, a spokesman did not rule out a franchised network of centers.

Center customers will receive an STP Pit Pass, a computer database card that stores each customer's service history.

GM, Chrysler expect major export gains

By Al Fleming
AUTOMOTIVE NEWS STAFF REPORTER

TRAVERSE CITY, Mich. — The Big 3 have widely varying expectations for vehicle exports as they head into 1990.

General Motors, Ford Motor Co. and Chrysler Motors will ship an estimated 180,000 to 195,000 vehicles to foreign markets this year.

GM's expectations alone could boost the total an additional 30,000 to 40,000 units in 1990.

Looking further out, Chrysler sees its exports spiraling upward in the next decade. Ford's aspirations are less bullish than those of its two major competitors.

Chrysler, which launched exports to Europe this year, expects to ship 50,000 vehicles there in calendar 1989, plus another 25,000 to 30,000 to other parts of the world, for a total of 75,000 to 80,000. Gerald Greenwald, Chrysler Corp. vice chairman, estimates the annual total will grow to 100,000 in three to five years and to 200,000 in five to eight years.

Because of its aggressive posture as a global manufacturer, Ford is taking a more casual approach as an exporter of U.S. vehicles. Ford exported 41,000 in 1988 and expects to ship 45,000 this year.

Said Philip E. Benton Jr., president of Ford's automotive group: "I don't think of exports as a big deal. An export is a hesitation, while we get geared up to produce in a local market."

Ford is intent on building global design and manufacturing centers of expertise. Under Ford's strategy, individual operations have been tapped to develop products for major markets worldwide.

Benton said that by committing money and people to design and engineer a product at a designated "center of responsibility," Ford realizes "enormous potential" for lower costs and improved quality.

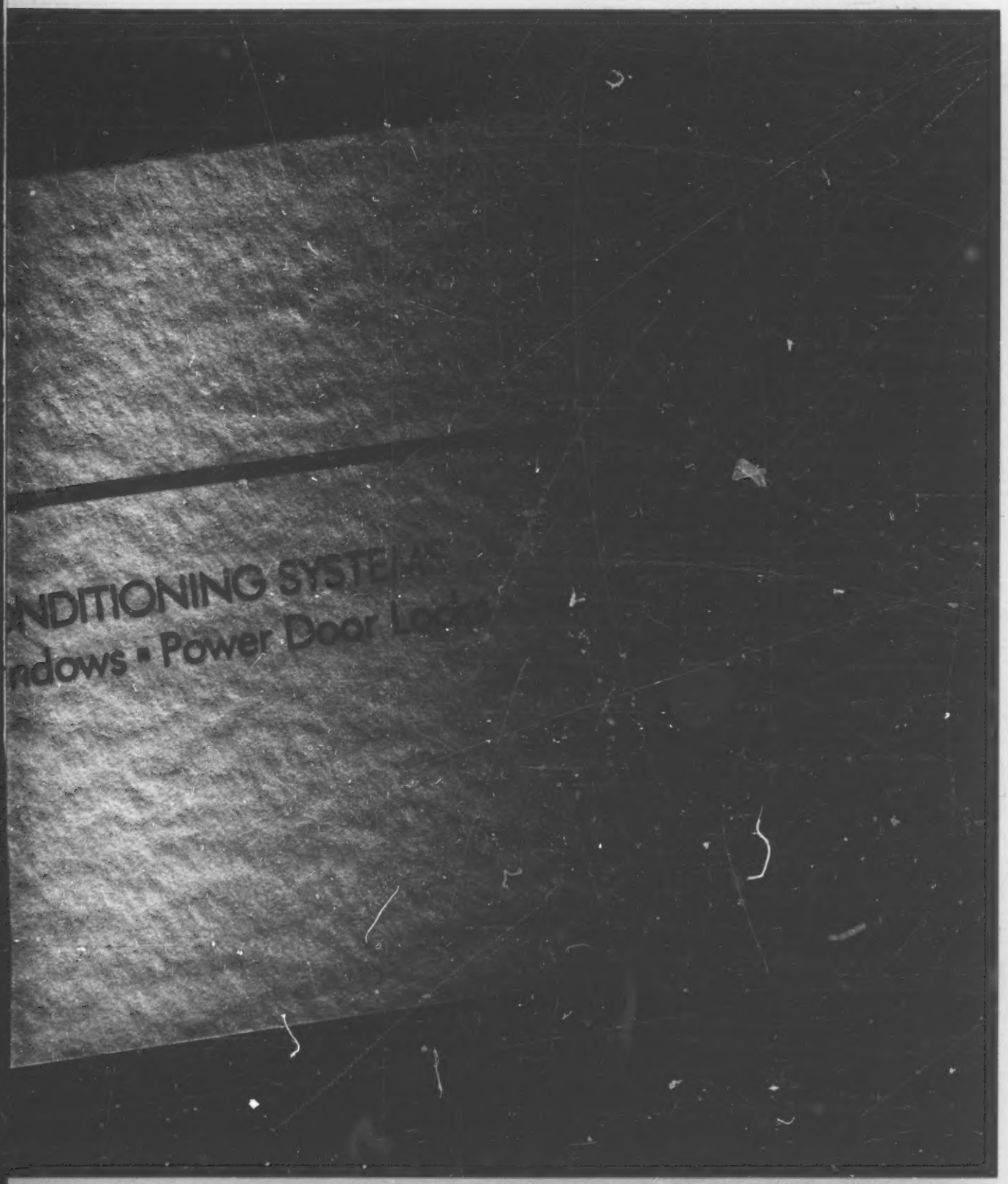
Lloyd E. Reuss, GM executive vice president, said the company's exports "should be in the 60,000 to 70,000 range" this year, and 100,000 in the 1990 model year.

He said in anticipation of long-range growth in exports, GM has been reorganizing and strengthening its export operations.

"We used to treat the export vehicle as sort of an add-on," Reuss said. "Now, we're designing products for export and doing the work here, rather than sending vehicles to Germany or Japan for major rework."

In comparing GM's international approach to Ford's assigning world-vehicle design responsibilities to designated areas, Reuss said: "We are not taking the Ford approach. We are working the other way. We think it's very important to have our creative people in the market where they are designing and producing the product."

Reuss, Benton and Greenwald were speakers at the University of Michigan Management Briefing Seminar here.



DOMESTIC SALES

CARS

	August 1-10, 1989	August 1-10, 1988
Eagle	1,775	881
Chrysler	3,505	5,318
Plymouth	9,023	7,264
Dodge	11,712	10,724
Chrysler Motors	25,515	24,167
Ford	40,530	37,110
Mercury	15,637	11,951
Lincoln	5,283	3,176
Ford Motor Co.	61,430	52,239
Buick	14,319	12,835
Cadillac	6,693	8,391
Chevrolet	32,404	35,099
Oldsmobile	15,415	18,134
Pontiac	15,479	14,217
General Motors	84,310	86,676
Honda	9,002	9,531
Mazda	789	709
Mitsubishi	1,094	—
Nissan	2,943	2,961
Toyota	5,218	862
U.S. Car Total	190,301	177,145

TRUCKS

Chrysler	75	0
Dodge	12,036	11,772
Jeep	6,950	4,912
Plymouth	4,302	3,786
Chrysler Motors	23,363	20,470
Ford Motor Co.	35,685	33,943
Chevrolet	41,209	37,571
GMC	10,089	9,193
General Motors	51,298	46,764
Nissan	3,503	3,056
U.S. Truck Total	113,849	104,235
U.S. Car-Truck Total	304,150	281,380

Sales climb on hints of price hikes

By Philly Murtha
AUTOMOTIVE NEWS STAFF REPORTER

Sales of U.S.-built cars and light trucks climbed 8.09 percent in early August as many dealers began to alert customers to price hikes on 1990 models. Also, rebates were in full force.

In the Aug. 1-10 period, deliveries of U.S.-built vehicles totaled 304,150, up from 281,380 last year. Both periods had nine selling days.

The eight U.S. carmakers sold 190,301 domestic autos, up 7.43 percent from 177,145 in early August 1988. Only Ford Motor Co., Chrysler Motors, Toyota and Mazda reported year-to-year gains.

Light-truck sales advanced to 113,849, up 9 22 percent from 104,235 last year. The four domestic light-truck makers reported sales gains of 5.13 to 14.55 percent.

In early August, dealers said, they cashed in on customer concerns about price rises. "We let customers know there is a price increase coming, especially in the van line," said Greg Miciotto, new-car sales manager at Bill Hanna Ford in Shreveport, La.

Customer awareness of price hikes helped sales but "we're getting a very tough buyer. He's not concerned if you make a nickel," said John Schroder, general manager of Hansen Chrysler-Plymouth in Nashville, Tenn.

Ford reported the biggest gain in car sales; it sold 17.59 percent more cars in early August than it did last year. Thunderbird, Cougar and Probe were star performers.

While GM showed a 2.73 percent loss, Cadillac, Buick and Pontiac posted increases.

Chrysler boosted its car deliveries by 5.55 percent. Sundance/Shadow sales rose 38.65 percent.

Among the transplants, Toyota sold six times as many U.S.-built cars as it did last year. Mazda delivered 11.28 percent more MX-6s.

Nissan sold 18 fewer U.S.-made Sentras than it sold in early August last year.

AROUND THE WORLD

Europe's sales boom slows down in July

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — New-car sales growth in Western Europe stalled in July following a 5 percent rise in June.

The lackluster 0.4 percent increase in 17 Western European countries during July — the second flat month of the last three — is further evidence that a long-expected decline in European sales may be at hand.

But sales for the first seven months of the year remained 5.6 percent ahead of 1988, which brought a full-year record of just under 13 million units. Most analysts believe a 13-million-plus year is all but assured for 1989.

European sales totaled 8,293,200 units through July, up from 7,856,800 last year, according to industry estimates compiled by Automotive News.

July sales were 1,007,700, compared to 1,003,400 in 1988.

Fiat Group, including the Fiat, Alfa Romeo and Lancia brands, remained the volume leader, with sales of 1,293,700 for seven months — a 15.6 percent market share and a 6.1 percent rise in volume.

The Italian group's July sales rose 0.8 percent to 170,500. The Fiat brand fell 2.2 percent to 122,000 for the month, while Alfa increased 10.7 percent to 22,200 and Lancia was up 8 percent to 26,300.

Second-place Volkswagen Group, Europe's sales leader for the past four years, continued to narrow the gap between itself and Fiat. The German group boosted sales 13.9 percent in July to 183,000 — outselling Fiat by 12,500 cars.

In the first seven months, VW group sales, including VW, Audi and Seat, rose 7.8 percent to 1,255,300, a 15.1 percent market share.

The market share increase for Peugeot SA — Europe's fastest-growing carmaker during the past two years — has slowed as a result of capacity constraints. Its Peugeot and Citroen brand sales dipped 1.2 percent in July to 128,800 units. For the year-to-date, sales rose 7.5 percent to 1,074,100, good for a 13 percent market share.

Ford continues to hold a narrow, but diminishing, lead over General Motors for fourth place. In July, GM outsold Ford by 7,600 cars. GM sales for the month rose 0.1 percent to 102,200, while Ford dropped 4.6 percent to 94,600.

Ford sales totaled 929,600 after seven months, an 11.2 percent share and a 5.9 percent increase over last year. GM stood at 905,200 — a 10.9 percent share and an 8.7 percent hike in volume.

Renault sales improved 5.9 percent through July to 851,200, a 10.3 percent share. July sales rose 5.7 percent to 118,500.

Among Europe's specialty makers, Mercedes-Benz sales dropped 4.7 percent through July to 262,600, a 3.2 percent share.

Meanwhile, BMW and Nissan both edged past Austin Rover in the year-to-date compilations during July. BMW's share was 2.9 percent after seven months following a 15 percent jump in sales to 243,300 units. Nissan's sales were 237,100 through July, an 8.3 percent increase and a 2.9 percent share.

Austin Rover's sales have dropped 5.7 percent for the year to 234,900, 2.8 percent of the market.

Toyota is off 2.5 percent for the year to 202,500, a 2.4 percent market penetration. Volvo is down 0.4 percent to 159,100, a 1.9 percent share. Mazda is down 7.8 percent to 139,200, equal to a 1.7 percent share. Mitsubishi is up 9.9 percent through July to 100,800, a 1.2 percent share, and Honda slipped 5 percent to 81,800, or 1 percent of the European market.

Combined Japanese sales through the first seven months rose 1 percent to 872,800, a 10.5 percent market share, following an 11.2 percent share for the Japanese during 1988 in Western Europe.

All four major European national markets improved in the first seven months, though both West Germany and the United Kingdom were down in July.

West Germany, Europe's biggest market slipped 1.5 percent in July to 232,000 units. But for seven months, Germany was 2.9 percent ahead of 1988 with 1,763,700 sales. Last year was the country's second best ever with a full-year total of 2.8 million sales, the country's second best year ever.

Italy was 9.2 percent ahead of last year at 1,561,900 units through seven months. July sales were 3.5 percent above the same month last year at 210,000.

France was 6.9 percent ahead of 1988 at 1,347,800. In July, French sales totaled 221,000, a 5.3 percent increase over last year.

United Kingdom sales dropped 4.5 percent in July to 51,100, but were up 7.7 percent for the year to date at 1,247,500.

Spanish sales continued to rise in July, climbing 6.5 percent to 114,000. Through seven months, Spain was 10.3 percent ahead of last year with 717,000. For all of 1988, Spanish sales set a record of 1.06 million.

NEW-CAR SALES BY COUNTRY IN EUROPE

Country	7 mos., 1989	Percent gain/loss
West Germany	763,700	+ 2.9
Italy	1,561,900	+ 9.2
France	1,347,800	+ 6.9
United Kingdom	1,247,500	+ 7.7
Spain	717,000	+10.3
Netherlands	347,900	+ 0.4
Belgium-Luxembourg	306,000	– 2.3
Switzerland	222,300	+ 6.9
Sweden	182,700	– 9.0
Austria	151,800	+11.8
Portugal	119,200	– 0.8
Finland	115,000	+ 5.5
Ireland	56,700	+27.3
Denmark	50,900	–15.5
Greece	41,000	+21.2
Norway	31,800	–28.7
Total	8,293,200	+ 5.6

EUROPEAN SALES

Manufacturer	7 Mos. 1989	1989 share*	7 mos. 1988	Volume Change '89 vs. '88
Fiat Group**	1,293,700	15.6	1,219,400	+ 6.1
VW-Audi-Seat	1,255,300	15.1	1,164,400	+ 7.8
PSA***	1,074,100	13.0	999,100	+ 7.5
Ford	929,600	11.2	877,500	+ 5.9
General Motors****	905,200	10.9	832,700	+ 8.7
Renault	851,200	10.3	803,500	+ 5.9
Mercedes-Benz	262,600	3.2	275,700	– 4.7
BMW	243,300	2.9	211,500	+15.0
Nissan	237,100	2.9	219,000	+ 8.3
Austin Rover	234,900	2.8	249,200	– 5.7
Toyota	202,500	2.4	207,700	– 2.5
Volvo	159,100	1.9	159,700	– 0.4
Mazda	139,200	1.7	150,900	– 7.8
Mitsubishi	100,800	1.2	91,700	+ 9.9
Honda	81,800	1.0	86,100	– 5.0
Others	322,800	3.9	308,700	+ 3.9
Total	8,293,200	100.0	7,858,800	+ 5.6

*Doesn't add to 100 because of rounding
**Includes Alfa Romeo
***Peugeot, Citroen, Talbot
****Opel, Vauxhall, GM-U.S. Canada

All-Italian IATO sport utility drives into European market

By Luca Ciferi
STAFF CORRESPONDENT

IATO will cost $22,364 to $24,140.

MILAN, Italy — One month after the press introduction of Bertone's Freeclimber, a sport-utility using a Daihatsu chassis and body mated to a BMW turbodiesel, a firm called IATO has announced an all-Italian competitor.

IATO was established in 1985 with the aim of designing, engineering and producing a brand new sport-utility vehicle created by the company's owner, businessman Francesco Cavallini.

To design and develop the new vehicle, he hired two engineers from Piaggio, Danilo Fabbrizzi for structural analysis and Vasco Antichi for body engineering.

Cavallini said the total investment of 13 billion lira ($9.2 million) is being kept to a minimum by using a traditional steel chassis with a fiberglass body and engines from Fiat. The four-cylinder powerplants include a 100-horsepower 1.6-liter unit, a 90-hp 2-liter version and an 86-hp turbodiesel from the Tipo line.

As a plant site, IATO chose Nusco, south of Naples, a small, agricultural village. The Italian government will reimburse 75 percent of the total investment since the zone is considered depressed since a 1982 earthquake.

IATO has begun pilot production and will assemble 50 units this month. European sales are expected to begin next month through the Organizzazione Graziella network, based in Turin.

Of the 3,400 vehicles slated for annual production, 1,400 will be exported to other markets on the Continent. The first contracts are for France and Spain. Exports to Portugal and Greece will follow soon, but Germany and Switzerland must wait for a version with a catalytic converter. There are no plans now for a right-hand-drive model or U.S. exports.

The front-wheel-drive vehicle will be priced at 31.5 to 34 million lira ($22,364 to $24,140). That is higher than its Japanese competitors, although it does carry more standard equipment including air conditioning and power windows. IATO will be built in a three-door five-passenger configuration with a pickup scheduled to be added in 1990 and a five-door in 1991.

S. African car buyers wait as labor woes hit makers

By Des Kilalea
SPECIAL CORRESPONDENT

JOHANNESBURG — Labor problems are disrupting the South African automotive industry at a time when there are waiting lists for many models of new cars.

During the past three weeks, strikes and lockouts at the plants of market leaders Volkswagen, Toyota and Samcor (which makes Ford, Mazda and Mitsubishi vehicles) have involved more than 13,000 workers and prompted Toyota to fire 3,600 assembly line workers last week.

The problems revolve around the call by the National Union of Metalworkers of South Africa, which represents most non-white auto workers, for wages and working conditions to be negotiated industrywide rather than on a plant-by-plant basis. Manufacturers, generally, have resisted the demand.

Negotiations broke down and the walkouts began. The stoppages have closed four plants for more than a week and waiting lists at dealerships are growing longer. The factories affected are Toyota's plant in Durban; VW's plant in Port Elizabeth; and Samcor's facilities in Port Elizabeth and near Pretoria.

Because of the stoppages, Toyota and VW have withdrawn from the wage negotiations. Both have said they will not resume talks until the workers return and plants are operating again.

The labor problems at the plants will hurt new-vehicle sales this year. Toyota, Volkswagen and Samcor account for about 60 percent of passenger-car Toyota and Samcor have a sizable portion of the pick-up market; Toyota and VW are forces in the minibus market; and Toyota is also a big producer of medium and heavy commercial vehicles.

Brand Pretorius, Toyota marketing director, expects current waiting lists of a week to 10 days to be lengthened slightly, but he said Toyota will try to make up lost production. A spokesman said VW had a backlog of three to six weeks on most vehicles before the walkout.

Toyota has lost production of 420 units a day, Samcor around 250 and VW about 300. A week's stoppage means a production loss of nearly 7,000 vehicles. Pretorius said Toyota dealer stocks are low, so the impact on sales will be immediate.

Toyota and VW have indicated willingness to reinstate workers and rejoin the talks if production resumes. But Delta Motor Co., which makes General Motors and Isuzu products, is taking legal action. The company, which was not a party to the talks, considers efforts to force a national wage agreement unconstitutional in terms of the industrial council and Automobile Manufacturers Employers Organization rules.

"We are not going to be railroaded into a relationship that we consider undesirable," said George Stegmann, a Delta director.

The parties are still far apart. The union is not believed to have revised its opening demand for a 6.58 rand ($2.40) per hour minimum with quarterly adjustments for inflation. But it has dropped its demand for an across-the-board 2 rand (73 cents) per hour increase to 1.50 rand (55 cents). Employers are apparently offering a 5.50 rand ($2) minimum.

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Hot Acura holds pace toward 1990

By Jesse Snyder
AUTOMOTIVE NEWS STAFF REPORTER

GARDENA, Calif. — Acura's high-dollar NS-X sports car is on track for a mid-1990 introduction.

The small assembly plant that will build the low-volume NS-X will open early next year in Tochigi, Japan, a company spokesman said. The car will debut in the United States with an annual supply of about 3,000 units and also will be sold in Europe and Japan.

The mid-engined two-seater will be priced at $50,000 to $60,000 and will introduce some engine valve technology.

An all-new 3-liter, naturally aspirated V-6 exclusive to the NS-X will have the first application of Honda's V-Tec technology, variable valve timing and lift control.

Not only will the timing of the opening and closing of the two intake and two exhaust valves on each cylinder vary by engine speed and load, but so will the amount of lift, or how far each valve opens.

That added amount of control over the breathing is largely responsible for the engine's high power output. Without turbocharging, the 3-liter is rated at 270 horsepower, or 90 horsepower per liter of displacement.

V-Tec technology and the 270-hp rating are slowly quieting speculation among Honda watchers that the company will substitute a more exotic engine, perhaps a V-10 derived from Honda's Formula One racing program, before the NS-X is introduced.

"I thought that a car priced at $50,000 to $60,000 and especially from a division of Honda would have a more exotic engine," said Christopher Cedergren, an automotive analyst at J.D. Power and Associates, Agoura Hills, Calif. "They might surprise us yet, but the chances are very small. It may just be wishful thinking on my part."

Cedergren still expects Acura to introduce next spring a compact-sized car based on the new-for-1990 Honda Accord platform that will fit between the Acura Integra and Legend and plug the price gap between those two models.

In the fall of 1990, Acura is scheduled to unveil a new Legend.

IMPORT CAR SALES BY MODEL

	July 1989	July 1988	7 Mos. 1989	7 Mos. 1988
ACURA	12,765	11,064	83,825	72,367
Integra	8,099	5,521	47,762	33,650
Legend	4,666	5,543	36,063	38,717
ALFA ROMEO	225	339	1,928	3,047
Milano	55	147	709	1,521
Spider	170	192	1,219	1,526
AUDI	2,858	1,648	11,968	13,381
4000	2	24	89	402
5000	24	795	272	5,924
80	416	401	2,856	3,490
90	559	334	3,111	3,401
V8 Quattro	198	0	247	0
Coupe Quattro	78	0	78	0
100/200	1,115	71	4,129	71
100/200 Quattro	266	23	1,186	23
BMW	5,018	5,913	39,867	40,999
3-Series	2,632	2,538	19,741	21,881
5-Series	1,415	1,631	12,256	8,659
635 CSi	130	192	964	1,089
7-Series	752	1,338	5,711	7,473
M3	57	125	637	1,064
M5	11	40	242	234
M6	21	49	316	319
CHEVROLET/GEO	10,287	10,493	67,705	74,840
Spectrum	3,882	6,135	34,077	46,869
Metro	6,405	4,358	33,628	27,971
CHRYSLER MOTORS	7,230	8,800	64,214	78,191
Colt	4,045	5,706	35,683	50,815
Conquest	475	1,001	3,846	6,680
Medallion	95	459	3,575	9,027
Summit	1,356	0	12,041	0
Vista	1,075	1,634	8,176	11,669
TC	184	0	893	0
DAIHATSU	1,215	1,120	8,042	6,393
FORD Festiva	7,001	5,854	43,427	41,123
HONDA	26,442	23,978	142,222	145,240
Civic/CRX	4,629	6,595	36,227	66,650
Accord	17,403	12,548	77,941	48,684
Prelude	4,410	4,835	28,054	29,906
HYUNDAI	13,598	16,160	111,888	166,653
Excel	10,413	16,160	96,882	166,653
Sonata	3,185	0	15,006	0
ISUZU	1,861	2,590	11,454	14,185
I-Mark	1,335	1,687	8,022	9,265
Impulse	526	903	3,432	4,920
JAGUAR	1,472	1,539	10,637	11,436
XJ6	1,168	1,208	8,288	8,680
XJS	304	331	2,549	2,756
MASERATI	17	50	180	560
MAZDA	21,258	19,078	129,549	135,224
323	4,697	7,821	43,876	54,838
626	5,747	6,189	33,596	40,065
MX-6	89	359	2,059	6,294
Miata	4,105	0	5,861	0
929	1,605	2,383	12,181	15,550
RX-7	1,199	2,326	10,790	18,477
MPV	3,816	0	21,186	0
MERCEDES BENZ	6,403	6,880	42,668	50,946
190	1,439	1,854	8,153	10,856
260E	536	467	2,783	4,329
300	1,584	1,498	12,637	13,025
300 SE	602	505	3,944	2,236
300SDL Turbo	1	1	2	88
300SEL	330	240	2,346	3,603
420SEL	595	512	3,798	5,212
560SEL	401	411	2,868	3,149
560SL	736	993	4,826	7,067
560SEC	91	118	835	943
Tourist	88	181	476	438
MERKUR	1,076	1,978	5,570	8,382
XR4Ti	470	470	3,153	3,037
Scorpio	608	1,508	2,417	5,345
MITSUBISHI	5,182	5,940	42,718	40,980
Starion	30	171	578	1,966
Cordia	13	293	352	3,634
Tredia	0	19	10	434
Mirage	1,504	1,296	10,887	7,075
Galant	2,490	2,132	19,197	11,033
Precis	984	1,504	10,557	13,043
Van/Wagon	161	523	1,137	3,795
NISSAN	33,014	27,246	245,855	215,682
Sentra	8,990	10,686	74,359	84,354
Pulsar	2,348	4,220	18,402	31,092
Stanza	3,367	2,417	27,334	29,542
Axxess	1,095	0	3,496	0
Maxima	8,787	5,413	62,906	42,152
240SX/200SX	5,420	2,726	43,837	12,838
300ZX	2,757	1,561	15,510	13,256
Hawaii	250	223	2,009	2,448
PEUGEOT	515	534	3,582	4,016
PONTIAC LeMans	5,855	3,727	32,774	36,161
PORSCHE	1,168	1,336	5,722	10,142
924S	9	303	91	1,605
944	143	274	822	2,330
944S	69	23	210	292
944 Turbo	85	120	441	1,144
911 Coupe/Carrera 4	221	253	1,498	2,003
911 Turbo	108	84	826	663
911 Cabriolet/Speedster	477	156	1,326	1,229
928S	56	123	508	876
SAAB	3,636	3,516	19,828	22,857
900	924	580	3,661	3,840
900S	1,183	985	4,606	6,100
900 Turbo	827	899	5,567	5,441
9000S	263	308	1,722	2,015
9000 CD	217	0	1,833	0
9000 Turbo	216	635	2,016	4,849
Tourist	6	129	423	612
STERLING	470	705	3,821	5,652
SUBARU	13,364	11,471	87,088	87,195
Hatchback	98	349	2,097	3,571
3-Door	451	558	6,589	4,832
4-Door Sedan	1,926	2,684	25,043	17,850
Legacy	3,714	0	9,126	0
Loyale	2,545	0	5,700	0
XT/XT6	1,529	1,132	7,632	8,352
Station Wagon	1,166	5,249	18,341	38,769
Justy	1,935	1,499	12,580	15,821
SUZUKI Swift	430	0	3,239	0
TOYOTA	39,899	59,802	278,555	343,080
Corolla	11,538	15,700	68,033	87,403
Tercel	6,619	9,986	54,689	52,572
Celica	4,321	8,462	32,480	38,983
Supra	1,317	1,490	9,674	12,211
Camry	9,651	21,166	79,715	119,312
Cressida	1,438	950	12,066	6,811
Land Cruiser	434	564	3,166	4,443
Van	352	400	2,807	3,466
4Runner SR 5	3,766	2,223	12,513	12,476
MR2	463	661	3,412	5,403
VOLKSWAGEN	10,424	11,831	83,515	85,025
Cabriolet	916	1,230	7,006	8,406
Jetta	3,819	3,471	33,848	33,912
Golf/GTI	2,342	1,999	14,390	1,999
Vanagon	571	494	3,310	3,589
Quantum	9	289	856	1,704
Scirocco	9	357	834	1,947
Fox	2,758	3,991	23,269	33,468
VOLVO	9,173	8,769	62,216	58,390
240 Series	3,834	3,376	25,731	24,870
740 Series	4,154	3,973	27,620	25,672
760 Series	896	1,199	7,394	6,467
780	195	137	1,095	926
Tourist	94	84	376	455
YUGO	1,106	3,448	6,411	19,992
IMPORT TOTAL	242,762	257,609	1,650,769	1,791,840

Volkswagen has reported sales of U.S.-built Golf and GTI models as imports after June 30, 1988.

Compiled by Karen Ostlowski

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			Truck
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COMPANY _____ PURCHASE ORDER # _____
ADDRESS _____ AUTHORIZED BY _____
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IMPORTS

FROM PAGE 3

helped their Japanese importers.

The 1990 Mazda Miata, for instance, constituted 19 percent of Mazda's import sales in July at 4,105 units, even though sales of the new ragtop began in late May.

Mazda's MPV minivan, which was introduced last fall, made up another 18 percent of the monthly figure and 16 percent of sales for seven months. On the strength of those two models, July import sales increased 11 percent for Mazda compared to July 1988. But for the first seven months, Mazda's import sales fell 4 percent to 129,549.

Subaru's Legacy, another 1990 model, made up 28 percent of Subaru sales for July, at 3,714 units out of a company total of 13,364 for the month. Legacy went on sale in April.

Loyale, Subaru's high-volume line of sedans, wagons and three-door hatchbacks that was rebadged and streamlined for April sales, made up another 19 percent of July's total, while sales fell for the older models. Volume of the older station wagons, for instance, fell 78 percent from July 1988.

Subaru's sales for the first seven months of 1989 were virtually even with 1988.

Demand for the new 1990 Acura Integra, which was introduced last spring, helped fuel a 16 percent rise in year-to-date sales for Acura, to 83,825. Counting both old and new models, Integra sales were up 47 percent in July compared to the same month last year, while Legend sales declined 16 percent from a year earlier.

The new Nissan 240SX, which went on sale in December 1988, helped Nissan show a 14 percent increase in import deliveries through July. For the month, Nissan import sales were up 21 percent compared to July 1988. Sales of the 240SX and the 200SX together accounted for about 18 percent of all year-to-date Nissan import sale.

And the 9000-CD, which went on sale in March, helped Saab boost July sales 3 percent compared to July 1988. Seven-month sales were off 13 percent, largely because of a 24 percent decline in 900S sales.

Honda import sales rose 10 percent in July to 26,442, but import sales were off 2 percent for the seven months to 142,222. The company is importing more Accords while the Honda of America Manufacturing plant in Ohio retools for a new Accord model. Meanwhile, the company is making more Civics in the United States, which has cut the number of imports.

Toyota imports fell about 33 percent in July and 18 percent for the seven-month period compared to last year. Corolla and Camry suffered the biggest declines. Import sales of those models dipped as U.S. production increased.

Lotus insists Miata fever won't swamp its $30,000 Elan

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

The head-turning excitement caused by Mazda's MX-5 Miata has raised the stakes in the two-seat roadster game that Lotus will join next spring with the Elan.

Miata, described as a throwback to the rear-wheel-drive, open-top charms exemplified by the old Elan produced from 1962 to 1973, increases the risk in Group Lotus' gambit to add a small front-drive, two-seat, $30,000 "entry-level" vehicle to its U.S. line.

But Lotus Managing Director Michael Kimberley brushes off inevitable comparisons and views the new Mazda as a plus for his car. He says the Miata will form a new base market from which Elan buyers will emerge.

"I don't think there is any comparison at all," he said. "In styling terms, the Miata is really a classic car and our car is uniquely different. A lot of people will want to move up into a Lotus from what is a well-prepared market for two-seat convertibles. And those owners will want to move up into something with more performance and with a lot more charisma. A Lotus is a Lotus.

"I've obviously crawled all over the Miata and it is a very nice little car," said Kimberley. "It's very well executed and very professionally engineered, but it's not a Lotus and it's not an Elan of the '90s. We intend to be a standard-setter not only for visual appearance, but with new technology because of the synergy between our car company and our research and development."

While Kimberley says eventual U.S. sales will be limited to 1,500 to 1,600 Elans per year, some industry observers consider the Elan vulnerable to the Miata, for which Mazda projects annual sales of 40,000. Lotus' aims are modest, but the Cadillac Allante has demonstrated how even low-volume targets can be missed.

The Elan had been expected to debut next month at the Frankfurt auto show in West Germany. But Kimberley now says it will probably bow at the Tokyo and London shows in October and possibly be seen first in the United States at the Detroit and Los Angeles shows in January.

Lotus' new Elan has virtually no rear overhang. HIDDEN IMAGE/HANS G. LEHMANN

The Elan will go on sale first in the United Kingdom and possibly one or two European countries. The U.S. introduction is slated for next spring.

The first pilot models are on the line. Lotus plans to produce 1,500 Elans in the first 12 months on a new line — with 600 to 700 sold in Great Britain. Maximum capacity is 3,000 Elans, achievable in two to three years, with about half going to the United States. "It is slightly lower than the 1,800 I originally planned," Kimberley said.

He said marketing studies suggest Lotus could sell 360 Elans a month in the United States.

"I think it is important for us to make sure we always have far fewer cars than the market is demanding," he said. "When there is overproduction, cars suddenly become less desirable."

Lotus has yet to reveal specifications, including the length of the stubby roadster. But it is reportedly about 143 inches long, compared to the Miata's 155.4 inches.

"It is a small car, but exceedingly well-proportioned," said Kimberley, who is 6 feet 5 and claims to have no problem fitting comfortably into the cockpit.

The Elan will reportedly be powered by a 1.6-liter, 16-valve four-cylinder engine from Isuzu developing 125 to 135 horsepower. Miata also has a 1.6-liter, 16-valve four-cylinder, which produces 116 hp.

Lotus is readying its U.S. dealer network for the Elan launch. Currently, 68 outlets sell about 300 Lotus Esprit units annually. Lotus established a wholly owned U.S. distribution arm in early 1987 and since then has completed a 48 percent turnover in dealers.

"We have our strongest-ever dealer network in the U.S. and that was the objective as we started to build up the network for the Elan," said Kimberley.

He said 16 open points remain throughout the country, though the Northeast region is essentially full.

RAGTOPS

FROM PAGE 1

Softtops have accounted for at least 1 percent of the U.S. auto market since 1986 and will approach 2 percent in 1989, analysts say.

That's a far cry from the 1963 peak of 7 percent, but also a sharp contrast to the 1970s, when convertibles all but vanished.

"We are near the peak of a boom," said analyst Thomas O'Grady of Integrated Automotive Resources.

During the first seven months of 1989, convertibles are up about 11 percent, to 106,573. They have expanded their niche at a time when overall car sales are down 6.4 percent on the year.

The largest volume convertible — Chrysler's LeBaron — is up 25 percent to 29,843 through July. Chrysler General Marketing Manager Clark J. Vitulli predicted more than 50,000 sales for the full year, up 20 percent over 1988.

Vitulli

Ford's Mustang convertible is up 25 percent through the first six months of 1989, to 20,782 units.

Convertible registrations jumped almost 50 percent in 1988 to 160,000 units and sales continue to rise in 1989. In 1982, registrations totalled 43,000 and accounted for 0.5 percent of the new-car market. Last year, convertibles took 1.5 percent of the market and some analysts say penetration could go as high as 2 percent this year.

O'Grady pegged a 1.8 percent share in 1989 and he forecast that convertibles will top 2 percent by 1992. But that is a long way from the 1963 model year, when convertible sales peaked at 7 percent of the new-car market — 542,000 units.

One reason is fuel economy. Convertibles usually carry about a 150-pound weight penalty — a not insignificant proportion of today's lighter weight models. Moreover, aerodynamics tend to suffer.

O'Grady also cited safety considerations and different car-buying tastes as reasons why the golden age of convertibles won't be duplicated.

"The mix might get up to 2¼ percent, but that would be the cap," he said.

Said Joel Pitcoff, research and analysis manager at Ford: "The big difference between now and then was that convertibles were available in almost every single segment."

Today, neither standard-sized models, nor basic U.S. subcompacts — a key droptop segment in Europe — have convertible versions.

"Secondly, the premium was relatively small over a hardtop — in those days a few hundred bucks," said Pitcoff. "The prices today are usually several thousand dollars higher, partly due to higher equipment levels. The economics of trading up have become a lot harder since the heyday."

Carmakers began thinning out convertible offerings in the late 1960s and early 1970s.

The last domestic droptop to drop out was the Cadillac Eldorado in 1977 and there were none built until 1982. The number of imported convertibles also declined. In the 1960s, virtually all two-seater and 2+2 imports were open-top.

Carmakers jumped back into the game following the emergence of a successful aftermarket cottage industry typified by ASC Inc. and Cars and Concepts, now called C&C Inc. ASC and C&C are still at the heart of the convertible business in Detroit. ASC does the Toyota Celica GT 4, Pontiac Sunbird, Chevrolet Cavalier, Camaro RS and IROC-Z V8 and Corvette and the 944 Cabriolet at its new plant in Weinsburg, West Germany. C&C turns out the Ford Mustang and forthcoming Beretta and Cutlass Supreme convertibles.

"When we came back in 1982, people wanted to know why it ever went away," said a Chrysler spokesman. "There was a pent-up demand."

"There has been a boom," said O'Grady. "Though in one sense the market was there, but the product wasn't. But it also has to do with baby boomers at this time of their lives. In their late 20s and early 30s people were more concerned with performance. Convertibles have come a little bit later, giving them some performance and a little taste of their youth."

The Chrysler spokesman said the average age of LeBaron convertible buyers is early 40s. Ford tracks a median age of 33 years for Mustang convertible buyers, only four years older than the Mustang coupe buyer and below the overall industry average.

Mazda's MX-5 Miata roadster introduced this summer has emerged as America's hottest automotive topic. Conventional wisdom is that the Miata may be creating a new segment, or at least reviving the affordable two-seater niche once populated by small, rear-wheel-drive British roadsters. Mazda projects eventual sales of 40,000 cars annually for its Miata.

"The Miata may revive interest in convertibles to the extent that people are attracted to the car, but put off by the kinds of tack-ons dealers are charging," said Ford's Pitcoff. "When the buyers find that dealers want $3,000-$4,000 above sticker, they may decide to take a look at a Mustang or a LeBaron."

Raising the roof: Convertible sales up, new models planned

First 7 months (January-July)

Convertibles	1989 Sales CYTD	1988 Sales CYTD	Percent of change	Converter and location
Alfa Romeo Spider	1,218	1,518	−19.76	
Aston Martin Volante V-8	19	16	+18.75	
Vantage Volante V-8	12	11	+ 9.09	
Bentley Continental V-8	N.A.	N.A.		
BMW 325 I-6	5,281	7,334	−23.00	
Buick Reatta (1991)	—	—		ASC Inc. supplies parts to B-O-C plant in Lansing, Mich.
Cadillac Allante	2,034	2,163	− 5.96	(Italy)
Chevrolet Cavalier	5,844	4,697	+24.42	ASC Inc., West Jackson, Ohio
Chevrolet Camaro RS	3,889	4,000†		ASC Inc., City of Industry, Calif.
IROC Z V-8				ASC Inc., City of Industry, Calif.
Chevrolet Corvette V-8	4,304	4,591	− 6.25	ASC Inc. supplies parts to Bowling Green, Ky.
Chevrolet Beretta (1990)	—	—		Cars & Concepts (C&C Inc.)
Chrysler LeBaron	29,843	23,971	+24.50	Done in-house Chrysler plants
TC by Maserati	893	—		
Dodge Shadow (1990-91)	—	—		ASC Inc., Toluca, Mexico
Ford Mustang	20,782*	16,519*	+25.81	C&C Inc., Brighton, Mich.
Jaguar XJS V-12	1,483	953	+55.61	U.K. (last year done in U.S.)
Maserati Spyder V-8	N.A.	N.A.		
Mazda RX7	3,083	4,619	−33.25	
Miata MX-5	5,861			
Mercedes-Benz 560SL	4,854	7,091	−31.55	
500SL (1990)	—	—		
Oldsmobile Cutlass Supreme (1990)	—	—		C&C Inc.
Pontiac Sunbird GT4	2,028	2,385	−14.97	ASC Inc., West Jackson, Ohio
Porsche 911 turbo	427	259	+64.86	
911 cabriolet	844	1,195	−29.37	
911 speedster	482	—		
944 S2 cabriolet (1990)	—	—		ASC Inc. plant in Heilbronn, Germany
Rolls-Royce Corniche	N.A.	N.A.		
Saab 900 turbo	2,245	1,882	+19.30	ASC Inc., supplies parts to Uusikaupunki, Finland
Toyota Celica GT	4,139	4,211	− 1.71	ASC Inc., Rancho Dominquez, Calif.
Volkswagen Cabriolet	7,008	8,406	−16.63	
Total	106,573	95,621	+11.22	

*Ford Mustang sales are R.L. Polk registrations for 6 months (Jan.-June).
†Estimate N.A. – Not available

GEO

FROM PAGE 1

several Geo models with unusual backdrops and a youthful musical score in the background.

The new, straightforward campaign will use the themeline "Getting to know Geo." It will address Geo's two biggest confusion points: "What is a Geo?" and "Where can I buy a Geo?"

The new campaign will use film footage of young Americans in and around their Geo models. The previous campaign used claymation characters, rear-screen projection and other MTV-like creative executions.

The brand ads will show a collage of different vehicles while talking about what Geo is. Product ads will position each product differently. For instance, the Tracker, a sport-utility vehicle also sold as the Suzuki Sidekick, will be positioned as a fun vehicle. The Geo Metro, also sold as the Suzuki Swift, will be positioned as an economical car.

To show where a Geo can be purchased, Erdman said the new ads will show a Chevrolet dealer sign that will come together with a Geo sign. The previous ads told viewers that the Geo could be purchased through select Chevrolet dealers and gave a toll-free number. The phone number is being dropped for the 1990 model year, said Erdman.

Erdman said the increased national effort will be backed by more advertising dollars from Chevrolet. Advertising Age, a sister trade publication to Automotive News, estimated that Chevrolet spent $30 million to $40 million million on Geo advertising in the 1989 model year.

Chevrolet is also increasing the dealer profit margins, Erdman said. Dealers had told Automotive News that profit margins on Geo models are as low as $200. Some dealers had joked that margins were so low on Geo models that Geo letters were the initials for "Gross Equals Zero."

In addition to changing its creative approach, Chevrolet is also changing its Geo agency assignments.

Vic Olesen & Partners in Culver City, Calif., Chevrolet's advertising agency for the West Coast, will no longer handle national advertising for Geo on the West Coast. All national advertising for Geo will be created and handled by Lintas:Campbell-Ewald in Warren, Mich..

When Chevrolet hired Vic Olesen and Partners five years ago to create advertising for import-oriented West Coast consumers, it irked its long-time agency Campbell-Ewald. Last year, both Campbell-Ewald and Olesen created national Geo spots that ran in all parts of the country.

"It was not a decision made to pit agency against agency," said Erdman, who added that Olesen has been told to concentrate on finding niche markets for Chevrolet's domestic vehicles such as S-10 Blazer and Beretta.

Dealers are welcoming the change, Erdman said.

At the division's recent meeting with Chevrolet dealers in the South, dealers applauded when the new Geo strategy and advertising campaign were presented, Erdman said.

SUBARU

FROM PAGE 5

"Historically, Subaru station wagons have outsold four-doors three to one. With the Legacy, it's more like 50-50," he said.

"Also, we projected the LS luxury version would be about 15 to 20 percent of sales, and it's running more like 30-plus percent. Automatics are running higher than expected, and 4wd is running more than 50 percent. The 4wd four-door is doing better than expected. I think that's partly driven by ABS," which is available as an option on that car, Gibson said.

Gibson said the company might also sell up to 5,000 Legacys to daily rental companies for extra exposure, compared to about 20,000 of Subaru's older cars that were sold to rental fleets last year.

"We don't want to do a huge number and affect resale prices," Gibson said.

Subaru reported an 88-day supply of cars as of Aug. 1, versus 97 days July 1 and 95 days June 1.

CURRY

FROM PAGE 2

tine is a former deputy secretary of transportation.

Lobbyists who have met Curry say he is likely to be tougher than former administrator Diane Steed.

"My first impressions are that we will get more leadership from Curry than Diane Steed," said Brian O'Neill, president of the Insurance Institute for Highway Safety, a safety lobby funded by the insurance industry.

"Diane did not do things until political pressures built up and she was forced to do them. She did not exhibit leadership. Under her leadership, the agency was ducking issues."

O'Neill said he met with Curry and was assured that the agency will move forward with side-impact standards and light-truck safety regulations.

"He comes across as someone who is willing to show some leadership and move forward with safety initiatives that have been languishing within the agency for some time," O'Neill said.

An auto industry lobbyist concurred: "He's the one who will snap the whip to get things done. He's making his rounds and getting his ducks lined up. He will be tough and vigorous."

Curry served as commanding general of the U.S. Army Test and Evaluation Command, which included the nation's largest military test center, the Aberdeen Proving Grounds in Maryland, and the White Sands Missile Range in New Mexico.

After retiring in 1984, Curry became an adviser to television evangelist Pat Robertson's Freedom Council and later was president of the National Perspective, a private non-profit think tank controlled by Robertson.

Jaguar gets finance arm

Marine Midland Automotive Financial Corp., the largest bank-owned auto finance company, has formed a jointly owned captive finance company with Jaguar Cars to provide lease financing. It will be called Jaguar Leasing Corp.

In a separate arrangement under the name Jaguar Credit, Marine will provide "private label" retail and wholesale financing and capital loans to Jaguar dealers and their customers.

Marine will fund and service Jaguar Credit's programs. The joint company will be responsible for funding Jaguar's leasing programs, which Marine will service.

Operating through 13 regional offices nationwide, Marine has captive financing or private label arrangements with Mazda, Porsche, Subaru and Saab-Scania and also does business directly with other dealers. Its auto-related portfolio of managed assets was $7.2 billion at the end of 1988.

Marine Midland Automotive Financial is a subsidiary of Buffalo-based Marine Midland Banks, with assets of $26 billion.

Marine Midland Banks is a wholly owned subsidiary of the Hongkong and Shanghai Banking Corp.

— Louise Kertesz

GE, Mitsubishi set lease program

Mitsubishi Motor Sales of America has entered into an agreement with GE Capital Auto Lease to offer low-cost leases on the Mitsubishi Eclipse, Galant, Sigma and Montero.

The Triple Diamond Leasing program features high residual values, which reduce monthly payments. Terry Paape, GE Capital Auto Lease manager of sales and market development, said a 60-month lease on a Mitsubishi carries a $170 monthly payment, which he called the lowest in the industry.

GE Capital Auto Lease will fund and service the leases in a "private label" program for Mitsubishi Motor Sales.

In 1984, GE Capital Auto Lease and BMW of North America formed a jointly owned captive finance subsidiary, BMW Credit.

— Louise Kertesz

INCENTIVE WATCH

	Customer Incentives: Rebates	Finance Rates (Pct.) 24 mo.	36 mo.	48 mo.	60 mo.	Expiration Date	Dealer Incentives: Type	Expiration Date
Chrysler Motors								
Chrysler	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Dodge Cars	$300 - $1,500	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Daytona	Sept. 15
Dodge Trucks	$500 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15	$500 on Dakota, full-sized trucks	Sept. 15
Eagle	$1,000 - $2,000	0.0*	5.9	6.9	10.9	Sept. 15		
Jeep	$500 - $1,000	0.0*	5.9	6.9	10.9	Sept. 15		
Plymouth	$300 - $1,500	2.9	5.9	6.9	10.9	Sept. 15		
*2.9 percent on some models								
Ford Motor Co.								
Ford Cars	$500 - $1,500	2.9	6.9	7.9	10.9	None		
Ford Trucks	$300 - $1,000	2.9	6.9	7.9	10.9	None		
Lincoln	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Mercury	$1,000 - $1,500	2.9	6.9	7.9	10.9	None		
Merkur	$2,000 - $4,000	2.9	6.9	7.9	10.9	None		
General Motors								
Buick	$500 - $1,500	2.9	5.9	6.9	10.9	None	All GM divisions: Zero to $1,000 per sale based on performance against quota. $150 per sale if dealer elects not to participate in quota program.	Sept. 27
Cadillac	$1,000 - $1,500					Sept. 27		
Chevrolet Cars	$400 - $1,000	2.9	5.9	6.9	10.9	Sept. 27*		
Chevrolet Trucks	$400 - $750	2.9	5.9	6.9	10.9	Sept. 27*		
GMC	$500 - $750	2.9	5.9	6.9	10.9	None		
Oldsmobile	$1,000 - $1,500	2.9	5.9	6.9	10.9	None		
Pontiac	$700 - $1,250	2.9	5.9	6.9	10.9	None		
Cadillac does not have a finance-rate incentive. *Chevrolet's rebate program has no expiration date								
Alfa Romeo							$1,000 - $6,000	Aug. 31
Audi							$1,800 - $5,000, some based on quota	Sept. 30
BMW 735i			8.5	9.0	9.5	Aug. 31		
735iL, 750iL			8.5	9.0	9.5	Aug. 31		
Daihatsu							$300 if meet sales quota	Sept. 5
Honda							Up to $500	Aug. 31
Hyundai	$300 - $1,000					Sept. 5	$300 - $600, some based on qouta	Sept. 5
Isuzu Impulse							$2,000	Sept. 5
Other Cars, Trucks							$300 - $1,000, based on quota	Sept. 5
Jaguar	$5,000					Sept. 18		
*To owners of 1986 Jaguar Sedans								
Mitsubishi Cars							$800 - $2,500, based on number sold	Sept. 30
Trucks							$300 - $2,500, based on number sold	Sept. 30
Nissan Cars							$100 - $1,500, based on quota	Sept. 5
Trucks							$100 - $2,000, based on quota	Sept. 5
Peugeot							$1,000 - $2,000	Sept. 16
Porsche							$3,000 - $6,000 on 40 percent of cars sold	Sept. 30
Sterling		4.9	5.9	5.9	9.9	Aug. 31	$1,500 - $2,750	Aug. 31
Subaru	$1,000 - $3,000*					Aug. 31	$1,000 - $3,000*	Sept. 5
*Rebates go to the customer in some regions and to the dealer in other regions								
Toyota Cars							$100 - $2,000, some based on quota	Sept. 5
Trucks							$200 - $2,500, some based on quota	Sept. 5
Volkswagen	$200 - $2,000	4.9	6.9	7.9	9.9	Sept. 4		

PRODUCTION

Auto output up for week; 123,749 built

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

U.S. auto production continued to climb last week as the makers scheduled 123,749 cars, 15.41 percent more than the previous week's 107,225 and 13.31 percent above the year-ago week's 109,208.

Each of those weeks was affected by downtime for changeover.

Last week's estimated production was split as follows: General Motors, 39.35 percent; Ford Motor Co., 27.72 percent; Chrysler Motors, 13.90 percent; Honda of America Manufacturing, 5.79 percent; New United Motor Manufacturing Inc., 3.23 percent; Toyota Motor Manufacturing U.S.A., 3.02 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 2.87 percent; Diamond-Star Motors, 2.08 percent; and Nissan Motor Manufacturing Corp. U.S.A., 2.04 percent.

The Allante line at GM's Detroit-Hamtramck plant is idle for model changeover until Sept. 6. The company's Lakewood, Ga., plant resumed output today after downtime for changeover.

Truck production was scheduled at 76,380 units last week, 2.05 percent below the prior week's 77,977.

GM will continue output "well into 1990" at its Pontiac Central plant in Pontiac, Mich., which had been scheduled to close at year-end, according to a GMC truck and bus group spokesman. When the medium-duty truck line is transferred to Janesville, Wis., the assembly of chassis and frames for special vehicles like school buses and delivery vans will be added.

GM will close three of its light-duty truck plants Aug. 28 for one week to adjust high inventories. The plants are: Moraine, Ohio; Shreveport, La.; and Pontiac West, Pontiac, Mich.

Navistar International shut its Springfield, Ohio, plant last week. Output is expected to resume today; the rate will be reduced 15 percent to 298 vehicles per day.

Mack Trucks plans to build about 45 percent fewer Class 8 vehicles this quarter than in the second quarter.

Ford idled its heavy-duty line in Louisville, Ky., last week due to a lack of dealer orders. Production was slated to resume today.

Recovery mode for Canada cars

Canadian auto output was targeted at 20,058 units last week, 85.07 percent above the 10,838 assembled the previous week when model changeovers slashed the total. Last week's production was 21.11 percent above the year-ago week's 16,562.

Scheduled truck output of 17,054 was 55.79 percent more than the previous week's 10,947 but 9.49 percent below the year-ago week's 18,843.

Slow sales caused Navistar International to close its plant in Chatham, Ontario, last week. The plant is expected to resume output Aug. 28.

Volvo's plant in Halifax, Nova Scotia, resumed output today after a three-week vacation.

U.S. CAR	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Horizon	1,000	0	1,249	3,215	19,783	53,889
Sundance	1,400	392	1,140	2,610	67,188	65,768
Reliant	0	0	0	0	0	56,260
Acclaim	2,800	0	2,465	7,043	78,567	0
Caravelle	0	0	0	0	0	9,087
Gran Fury	0	154	0	0	0	15,308
Total Plymouth	5,200	546	4,854	12,868	165,538	200,312
LeBaron K	0	0	0	0	0	7,912
LeBaron J	2,500	690	1,977	6,132	64,446	47,121
LeBaron GTS	0	0	0	0	2,946	6,005
N. Yorker C-Class	600	1,366	724	1,828	59,721	66,298
Fifth Avenue	1,500	926	1,476	2,976	2,976	17,397
Total Chrysler	4,600	2,982	4,177	10,936	130,089	144,733
Omni	1,000	0	1,131	3,069	21,037	52,602
Daytona	1,700	631	1,286	4,077	52,701	46,103
Shadow	1,400	482	1,085	2,569	64,002	64,552
Aries	0	0	0	0	0	54,570
Dodge 600	0	0	0	0	0	8,549
Dynasty	1,600	1,901	1,663	4,572	88,705	62,911
Lancer	0	0	0	0	1,528	5,808
Spirit	1,700	0	1,527	4,184	65,041	0
Diplomat	0	385	0	0	0	12,911
Total Dodge	7,400	3,399	6,692	18,470	293,014	308,006
CHRYSLER MOTORS	17,200	6,927	15,723	42,274	588,641	653,051
Escort	8,209	9,318	6,525	18,911	202,816	247,738
Mustang	4,523	3,396	4,386	12,296	137,792	127,842
Tempo	2,861	2,145	2,942	8,172	95,046	118,782
Taurus	6,479	7,620	3,984	16,628	231,289	251,944
Thunderbird	2,733	0	2,600	7,112	101,500	90,246
Total Ford Div.	24,805	22,479	20,437	63,119	768,443	836,552
Topaz	1,539	862	1,440	3,885	44,700	44,789
Cougar	2,747	0	2,619	7,121	87,191	69,686
Sable	2,032	2,483	1,402	5,345	74,713	86,152
Total Mercury	6,318	3,345	5,461	16,351	206,604	200,627
Continental	1,054	1,293	1,020	2,929	42,927	28,275
Mark VII	0	647	0	0	13,978	15,269
Lincoln	2,131	1,946	2,110	5,925	80,826	82,440
Total Lincoln	3,185	3,886	3,130	8,854	137,731	125,984
Total L-M Division	9,503	7,231	8,591	25,205	344,335	326,611
FORD MOTOR CO.	34,308	29,710	29,028	88,324	1,112,778	1,163,163
Skyhawk	0	346	0	0	6,913	10,455
Skylark/Somerset	1,079	777	44	1,123	35,996	29,279
Century	2,890	2,739	2,988	7,082	82,083	67,681
Riviera	413	2	47	460	11,808	3,642
Electra	2,040	1,160	1,685	4,868	48,482	54,489
LeSabre (fwd)	3,120	2,570	2,352	5,472	95,479	82,037
LeSabre (rwd)	0	89	0	0	4,102	6,519
Reatta	114	168	50	164	3,304	5,889
Total Buick	9,656	7,851	7,166	19,169	288,147	259,991
Cimarron	0	0	0	0	0	3,693
Eldorado	336	214	40	376	19,479	23,410
Seville	227	108	34	261	14,258	14,488
Brougham (rwd)	565	628	265	830	22,763	19,908
Deville (fwd)	3,845	0	3,742	9,728	126,608	97,287
Allante	9	0	75	147	2,086	1,135
Total Cadillac	4,982	950	4,156	11,342	185,194	159,921
Cavalier	1,793	6,926	4,868	11,731	235,426	229,752
Camaro	330	688	30	360	64,951	54,287
Celebrity	0	3,621	0	0	70,349	115,371
Corsica/Beretta	6,610	9,335	3,953	10,563	239,589	258,505
Caprice	2,570	3,900	1,212	3,782	116,543	133,730
Corvette	0	450	0	266	16,306	14,088
Total Chevrolet	11,303	24,920	10,063	26,702	743,164	805,733
Calais	1,170	1,373	34	1,204	57,685	67,147
Firenza	0	0	0	0	0	5,230
Cutlass Ciera	1,198	198	1,076	2,891	58,574	13,654
Cutlass Supreme	2,465	1,341	1,793	4,258	56,780	92,400
Toronado	44	109	10	54	4,899	10,209
88 (fwd)	2,600	2,971	1,583	4,183	90,087	98,056
88 (rwd)	130	226	48	178	5,243	7,872
Olds 98	1,355	1,014	1,322	3,437	46,604	47,956
Total Oldsmobile	8,962	7,232	5,866	16,205	319,872	342,524
Sunbird	1,193	1,110	440	3,971	92,179	66,445
Grand Am	4,800	3,830	4,305	9,302	153,166	145,701
Firebird	408	482	31	439	35,791	37,613
Grand Prix	3,138	3,677	2,839	5,977	77,763	78,002
Pontiac 6000	1,720	2,130	1,721	4,098	53,073	48,281
Bonneville	2,520	2,255	2,116	6,095	58,140	70,590
Safari/Parisienne	0	117	0	0	2,691	5,192
Fiero	0	191	0	0	0	13,268
Total Pontiac	13,779	13,792	11,452	29,882	472,803	465,092
GENERAL MOTORS	48,682	54,745	38,703	103,300	2,009,180	2,033,261
DIAMOND-STAR	2,573	0	2,479	7,035	39,089	0
HONDA	7,170	7,241	7,602	20,603	241,658	233,588
Civic	1,527	2,572	2,537	6,146	81,800	66,402
Accord	5,643	4,669	5,065	14,458	159,858	167,186
MAZDA†	3,555	4,600	3,438	9,107	128,406	72,106
NISSAN	2,526	2,809	2,347	6,375	74,114	67,487
NUMMI	4,000	3,176	4,216	11,568	131,413	101,496
Corolla	1,600	1,133	1,722	4,715	53,136	37,141
Geo Prizm/Nova	2,400	2,043	2,494	6,853	78,277	64,355
TOYOTA	3,735	0	3,689	10,385	82,441	0
VOLKSWAGEN	0	0	0	0	0	35,595
Golf/GTI	0	0	0	0	0	30,042
Jetta	0	0	0	0	0	5,553
Total Cars, U.S.	123,749	109,208	107,225	298,972	4,407,720	4,359,747
Total Cars, Canada	20,058	16,562	10,838	40,971	613,724	688,948
U.S., Canada Cars	143,807	125,770	118,063	339,944	5,021,444	5,048,695
U.S., Canada Cars and Trucks	237,241	218,902	206,987	589,123	8,353,964	8,231,654

Monthly estimates may contain error of one or two units due to rounding.
†—Total includes the MX-6 and Ford Probe

CANADIAN CAR	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Premier	1,275	148	1,240	3,359	25,965	38,984
CHRYSLER MOTORS	1,275	148	1,240	3,359	25,965	38,984
Tempo	3,360	3,676	2,492	8,451	81,776	114,795
Topaz	1,440	1,875	1,051	3,587	34,688	42,177
Crown Victoria	2,520	2,313	2,192	6,742	78,125	81,464
Grand Marquis	2,638	2,357	2,167	6,838	83,857	81,843
FORD MOTOR CO.	9,958	10,221	7,902	25,618	278,446	320,279
Celebrity	0	680	0	0	15,231	13,886
Cutlass Ciera	0	2,194	0	0	95,976	158,918
Lumina	5,973	0	0	5,973	87,613	0
Pontiac 6000	0	0	0	0	0	29,675
Regal	482	2,064	0	482	43,944	97,380
GENERAL MOTORS	6,455	4,938	0	6,455	242,764	299,859
HONDA	1,870	1,255	1,317	4,661	52,439	25,438
TOYOTA	500	0	379	879	8,923	0
VOLVO	0	0	0	0	5,187	4,388
Total Cars, Canada	20,058	16,562	10,838	40,971	613,724	688,948

U.S. TRUCK☆	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Caravan	1,600	1,447	1,554	4,107	66,533	58,540
Dakota	1,900	1,818	1,923	5,118	61,706	66,505
Caravan C/V	50	72	79	141	4,664	8,947
Ram pickups	1,900	1,808	1,929	5,127	61,817	44,893
Total Dodge	5,450	5,145	5,485	14,493	194,720	178,885
Cherokee	4,100	3,921	4,182	11,575	142,122	111,883
Comanche	400	930	472	1,250	18,967	28,422
Grand Wagoneer	300	346	325	877	7,489	8,813
Wagoneer	50	295	66	178	5,317	6,483
Total Jeep	4,850	5,492	5,045	13,879	173,895	155,601
Voyager	1,400	1,405	1,379	3,595	62,533	55,158
Town & Country	100	0	42	142	2,016	0
Total C-P Div.	1,500	1,405	1,421	3,737	64,549	55,158
CHRYSLER MOTORS	11,800	12,042	11,951	32,109	433,164	389,644
Aerostar	3,701	4,390	4,000	10,901	147,195	126,632
Bronco	1,468	635	1,382	3,971	50,119	35,960
Bronco II	2,260	2,813	2,105	6,044	77,833	81,883
Econoline	4,148	4,546	4,153	11,669	149,617	149,413
Heavy trucks	0	1,317	1,118	2,044	39,861	42,609
Light trucks	9,844	8,047	9,079	26,075	340,894	311,481
Ranger	6,108	6,290	5,975	15,298	204,572	224,198
Total Ford Div.	27,529	28,038	27,812	76,003	1,008,091	972,176
FORD MOTOR CO.	27,529	28,038	27,812	76,003	1,008,091	972,176
Astro	2,347	2,991	2,886	7,615	106,475	112,617
Blazer	542	164	535	1,501	18,493	16,812
Mediums/Heavies	370	368	275	861	7,026	13,001
P-Model	0	945	0	0	20,749	25,903
Pickups	8,009	6,484	7,868	21,838	261,858	221,478
S-10	4,972	6,991	5,046	13,909	174,593	192,645
S-10 Blazer	3,827	1,794	3,716	10,659	127,336	105,631
Sportsvan/Van	1,819	1,814	1,721	4,653	63,739	59,892
Suburban	1,461	493	1,394	4,090	51,629	45,009
Total Chevrolet	23,347	22,044	23,441	65,126	828,179	792,988
Jimmy	161	42	161	444	5,471	4,896
Mediums/Heavies	580	716	609	1,727	11,628	25,549
P-Model	0	67	0	0	2,916	3,517
Pickups	2,591	2,013	2,073	6,538	77,921	68,069
S-15	1,166	1,386	1,142	3,258	39,805	42,762
S-15 Jimmy	1,133	560	1,240	3,266	35,640	31,309
Safari	673	798	794	2,085	27,717	28,615
Suburban	649	132	691	1,744	20,220	19,836
Vandura/Rally Vans	643	564	600	2,109	18,000	22,798
Total GMC	7,596	6,278	7,310	21,172	233,377	247,351
GENERAL MOTORS	30,943	28,322	30,751	86,297	1,061,556	1,040,339
NAVISTAR	0	1,725	1,759	3,155	52,130	55,049
NISSAN	2,658	1,412	2,254	6,800	77,479	62,685
AM GENERAL	450	450	450	1,260	14,490	14,760
MISCELLANEOUS	3,000	2,300	3,000	8,400	90,600	75,440
Total Trucks, U.S.	76,380	74,289	77,977	214,024	2,737,510	2,610,093

CANADIAN TRUCK	Week Ended Aug. 19, 1989	Week Ended Aug. 20, 1988	Week Ended Aug. 12, 1989	Aug. to Date	Jan. 1 to Aug. 19, 1989	Jan. 1 to Aug. 20, 1988
Caravan	2,664	3,270	2,439	6,729	89,437	89,012
Caravan-C/V	167	213	151	413	7,488	8,432
Ram Wagon	643	597	421	1,074	16,654	15,374
Ram Van	1,644	1,480	1,241	3,039	42,878	41,059
Total Dodge	5,118	5,560	4,252	11,256	156,457	153,877
Voyager	2,189	2,486	2,054	5,802	79,474	79,391
Total Plymouth	2,189	2,486	2,054	5,802	79,474	79,391
Wrangler	1,700	1,110	1,866	4,890	51,290	30,632
Total Jeep	1,700	1,110	1,866	4,890	51,290	30,632
CHRYSLER MOTORS	9,007	9,156	8,172	21,948	287,221	263,900
FORD MTR. (lt. trks.)	3,231	3,613	2,584	8,001	100,762	103,620
Light trucks	2,476	3,601	0	2,476	99,922	95,548
Vans	61	456	0	61	36,804	35,891
Total Chevrolet	2,537	4,067	0	2,537	136,726	131,439
Light trucks	2,248	1,482	0	2,248	44,629	47,901
Vans	31	255	0	31	18,088	18,951
Total GMC	2,279	1,737	0	2,279	62,717	66,852
GENERAL MOTORS	4,816	5,804	0	4,816	199,443	198,291
NAVISTAR	0	270	191	391	7,584	7,055
Total Trks., Canada	17,054	18,843	10,947	35,155	595,010	572,866
U.S., Canada Trks.	93,434	93,132	88,924	249,180	3,332,520	3,182,959

☆—Includes window van production. *—Estimated
Jeep includes commercial only. AM General includes government-destined vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain error of one or two units due to rounding.